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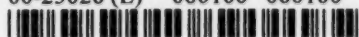
The situation in Central America: procedures for the establishment of a firm and lasting peace and progress in fashioning a region of peace, freedom, democracy and development

Letter dated 3 January 2000 from the Permanent Representative of Nicaragua to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith the joint communiqué issued in Miami, United States of America, on 30 December 1999 by the Ministers for Foreign Affairs of Nicaragua and Honduras, in which the two Governments undertake to adopt measures designed to avoid the occurrence of violent actions that endanger peace, security and stability in the Central American region and reaffirm the desire of both nations to resolve their differences through peaceful means.

I should be grateful if you would have the text of the communiqué circulated as a document of the General Assembly, under agenda item 47.

(Signed) Alfonso Ortega Urbina
Permanent Representative



Annex

Joint communiqué issued by the Ministers for Foreign Affairs of Nicaragua and Honduras in Miami, United States of America, on 30 December 1999

The Ministers for Foreign Affairs of Honduras, Roberto Flores Bermúdez, and Nicaragua, Eduardo Montealegre Rivas, met in Miami, United States of America, on 29 and 30 December 1999 together with Luigi Einaudi, Special Representative of the Organization of American States (OAS). In implementation of resolution 757 adopted by the Permanent Council of OAS on 7 December 1999, the discussions aimed at identifying measures or actions designed to eliminate the tensions that exist between the two countries, prevent acts that might affect regional peace and strengthen good-neighbourly relations.

1. As a result of these talks, held in an atmosphere of mutual respect, it was agreed that there should be an immediate separation of armed forces, and that to that end:

(a) A military exclusion zone in the Caribbean Sea should be defined and established;

(b) The presence of military personnel and border posts on and around the land borders should be immediately frozen in the positions and quantities as at 1 September 1999;

(c) The process of marking the border in the Gulf of Fonseca should be immediately renewed in accordance with the timetable previously established by the two countries. To that end, the parties shall take the necessary measures to ensure the security of the technical personnel carrying out that work.

2. The modalities for implementation of the measures of confidence-building and détente indicated in paragraph 1 shall be negotiated in such a way as to permit verification of their implementation by third parties and to enable them in addition:

(a) To ensure the safety of fishermen;

(b) To prevent incidents that threaten the security of the populations along the border, particularly indigenous and rural communities.

3. The Ministers for Foreign Affairs reaffirm the will of their countries to resolve their differences peacefully, and recognize the appropriateness of having submitted the issues relating to maritime space in the Caribbean Sea to the decision of the International Court of Justice.

4. The Ministers also agreed to seek and continue to make use of established bodies, mechanisms and other modalities of jurisdictional and political resources that existed in the Central American Integration System that will permit the resolution, also peacefully, of differences on a regional scale.

5. The Ministers and the Special Representative agreed to meet at the headquarters of OAS on 12 and 13 January 2000 to continue developing measures that will promote confidence between the two countries.

6. The Special Representative will inform OAS and the media of the agreements on the issues referred to above reached by the Ministers for Foreign Affairs of Honduras and Nicaragua in the course of the scheduled meetings.

(Signed) Roberto **Flores Bermúdez**
Minister for Foreign Affairs of Honduras

(Signed) Eduardo **Montealegre Rivas**
Minister for Foreign Affairs of Nicaragua

(Signed) Luigi R. **Einaudi**
Special Representative of the
Organization of American States



General Assembly

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Agenda item 144

Financing of the United Nations Mission in Bosnia and Herzegovina

Financing of the United Nations Mission in Bosnia and Herzegovina

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Mission in Bosnia and Herzegovina (UNMIBH) for the period from 1 July 1998 to 30 June 1999. The General Assembly, by its resolution 52/243 of 26 June 1998, appropriated an amount of \$189,483,720 gross (\$179,593,320 net) for the maintenance of UNMIBH for the same period.

Expenditures for the period totalled \$169,841,000 gross (\$161,788,300 net), resulting in an unencumbered balance of \$19,642,720 gross (\$17,805,020 net).

The unencumbered balance resulted primarily from civilian personnel costs.

The action to be taken by the General Assembly in connection with the financing of the Mission is a decision on the treatment of the unencumbered balance of \$19,642,720 gross (\$17,805,020 net) for the period from 1 July 1998 to 30 June 1999.



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I. Introduction

1. By its resolution 1035 (1995) of 21 December 1995, the Security Council established a United Nations civilian police force to be known as the International Police Task Force (IPTF), entrusted with the responsibilities set out in annex II to the General Framework Agreement for Peace in Bosnia and Herzegovina and the annexes thereto (collectively called the "Peace Agreement") (A/50/790-S/1995/999), and a United Nations civilian office with the responsibilities set out in the report of the Secretary-General of 13 December 1995 (S/1995/1031). That operation is referred to as the United Nations Mission in Bosnia and Herzegovina (UNMIBH).
2. The deployment of United Nations military observers to monitor the demilitarization of the Prevlaka peninsula was authorized by the Security Council in its resolution 779 (1992) of 6 October 1992. Although an independent mission, for administrative and budgetary purposes the United Nations Mission of Observers in Prevlaka is treated as part of UNMIBH.
3. The budget for the maintenance of UNMIBH for the period from 1 July 1998 to 30 June 1999 was set out in the report of the Secretary-General of 9 February 1998 (A/52/786) and amounted to \$190,921,200 gross (\$181,030,800 net). It provided for the maintenance of up to 28 military observers, 5 military liaison officers, 2,027 civilian police, 397 international staff and 1,307 locally recruited staff. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 19 of its report of 31 March 1998 (A/52/860/Add.3), recommended that the General Assembly appropriate \$180 million gross for the period from 1 July 1998 to 30 June 1999.
4. The General Assembly, by its resolution 52/243 of 26 June 1998, appropriated an amount of \$189,483,720 gross (\$179,593,320 net) for the maintenance of UNMIBH for the period from 1 July 1998 to 30 June 1999, inclusive of \$9,483,720 for the support account for peacekeeping operations. That amount has been assessed on Member States.
5. By its resolution 1168 (1998) of 21 May 1998 the Security Council increased the strength of IPTF from 2,027 to 2,057 police for the setting up of specialized training units. Subsequently, by its resolution 1184 (1998) of 16 July 1998, the Council approved the establishment by UNMIBH of a programme to monitor and assess the court system in Bosnia and Herzegovina. In his letter of 31 July 1998, the Controller informed the Chairman of the Advisory Committee that, in the light of the slippage in the deployment of civilian personnel, he believed the additional requirements resulting from the expansion of the mandate of UNMIBH could be absorbed within the resources provided pursuant to General Assembly resolution 52/243. In the same letter, the Controller also stated that the related expenditures would be reported in the context of the performance report for the period.

II. Implementation of the budget

6. Information on the activities of UNMIBH and the situation on the ground during the period under review is contained in the reports of the Secretary-General to the Security Council dated 16 September 1998 (S/1998/862), 16 December 1998 (S/1998/1174), 16 March 1999 (S/1999/284) and 11 June 1999 (S/1999/670).
7. Information on the situation in the area of responsibility of UNMOP during the period under review is contained in the reports of the Secretary-General to the Security Council dated 12 October 1998 (S/1998/939), 6 January 1999 (S/1999/16) and 9 April 1999 (S/1999/404).

8. As indicated in paragraph 3 above, the UNMIBH budget provided, *inter alia*, for the maintenance of up to 2,027 civilian police, 397 international staff and 1,307 locally recruited staff. While there were improvements in the incumbency of civilian personnel, there was an average vacancy rate of 5 per cent for civilian police and 13 per cent (compared to 5 per cent budgeted) for international staff, particularly at the end of the budget period when a significant number of police and international staff were transferred to the United Nations Interim Administration Mission in Kosovo.

9. The implementation of the UNMIBH budget was also affected by a large number of mission appointees. Although the budget took into account the non-entitlement to post adjustment for mission appointees at the Professional level, expenditures for international salaries were significantly less than the standard costs owing to the fact that many Field Service staff were mission appointees. Expenditures for common staff costs were also significantly less than the standard costs because of the large number of mission appointees. Based on mission experience, appropriate reductions have been applied to the standard costs effective 1 July 1999.

10. The unspent balances resulting from the factors referred to above were partially offset by the cost of additional staff under general temporary assistance following the expansion of the mandate of the Mission as indicated in paragraph 5 above.

III. Financial performance report for the period from 1 July 1998 to 30 June 1999

11. As indicated in table 1 below, from the appropriation of \$189,483,720 gross (\$179,593,320 net) for the period from 1 July 1998 to 30 June 1999, expenditures amounted to \$169,841,000 gross (\$161,788,300 net), inclusive of \$16,133,000 in unliquidated obligations. The resulting unspent balance of \$19,642,720 gross (\$17,805,020 net) represents, in gross terms, some 10 per cent of the amount appropriated. Annex I to the present report contains the financial performance information for the reporting period by budget line item, with supplementary information on significant variances presented in annex II. Annex IV contains a chart showing apportionment and expenditure by main budget groups.

Table 1
Apportionment and expenditure
(Thousands of United States dollars)

<i>Category of expenditure</i>	<i>Apportionment</i>	<i>Expenditure^a</i>	<i>Variance</i>
Military personnel	2 071.0	1 933.3	137.7
Civilian personnel	134 687.7	118 826.2	15 861.5
Operational requirements	32 927.8	29 636.0	3 291.8
Other programmes ^b	423.1	389.6	33.5
United Nations Logistics Base at Brindisi	—	1 519.5	(1 519.5)
Support account for peacekeeping operations	9 483.7	9 483.7	—
Staff assessment	9 890.4	8 052.7	1 837.7
Gross requirements	189 483.7	169 841.0	19 642.7
Income from staff assessment	(9 890.4)	(8 052.7)	(1 837.7)
Net requirements	179 593.3	161 788.3	17 805.0
Voluntary contributions in kind (budgeted)	—	3.6	^c
Voluntary contributions in kind (non-budgeted)	—	—	—
Total resources	189 483.7	169 844.6	^c

^a Includes an amount of \$16,133,000 in unliquidated obligations.

^b Excluding personnel.

^c Not applicable.

12. Information on the deployment of military and civilian personnel during the reporting period is given in table 2 and annex III.

Table 2
Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 1998 to 30 June 1999

<i>Personnel category</i>	<i>Authorized strength</i>	<i>Actual strength (average)</i>	<i>Vacancy rate (percentage)</i>
Military observers	33	30	8
Military contingents	—	—	—
Civilian police	2 057	1 959	5
International staff	397	344	13
National officers	—	—	—
Local staff	1 307	1 239	5
United Nations Volunteers	—	—	—

IV. Action to be taken by the General Assembly at its fifty-fourth session

13. The action to be taken by the General Assembly in connection with the financing of UNMIBH, including UNMOP, is to decide on the treatment of the unencumbered balance of \$19,642,720 gross (\$17,805,020 net) for the period from 1 July 1998 to 30 June 1999.

Annex I

Financial performance report for the period from 1 July 1998 to 30 June 1999: summary statement

(Thousands of United States dollars)

Category of expenditure	(1) Apportionment ^a	(2) Non-recurrent expenditures	(3) Total expenditures (inclusive of non-recurrent expenditures)	(4 = (1-3)) Variance
I. Military personnel				
1. Military observers	1 247.0	—	1 109.3	137.7
2. Military contingents	—	—	—	—
3. Other requirements pertaining to military personnel				
(a) Contingent-owned equipment	—	—	—	—
(b) Self-sustainment	—	—	—	—
(c) Death and disability compensation	824.0	—	824.0	—
Subtotal, line 3	824.0	—	824.0	—
Total, category I	2 071.0	—	1 933.3	137.7
II. Civilian personnel				
1. Civilian police	75 318.5	—	67 483.4	7 835.1
2. International and local staff	59 369.2	—	51 342.8	8 026.4
3. United Nations Volunteers	—	—	—	—
4. Government-provided personnel	—	—	—	—
5. Civilian electoral observers	—	—	—	—
Total, category II	134 687.7	—	118 826.2	15 861.5
III. Operational requirements				
1. Premises/accommodation	4 170.4	193.0	4 059.9	110.5
2. Infrastructure repairs	—	—	—	—
3. Transport operations	10 669.9	5 613.5	8 966.8	1 703.1
4. Air operations	1 922.7	—	808.2	1 114.5
5. Naval operations	—	—	—	—
6. Communications	9 558.6	5 723.9	8 283.2	1 275.4
7. Other equipment	3 576.3	3 158.8	3 544.6	31.7
8. Supplies and services	2 879.9	—	3 829.9	(950.0)
9. Air and surface freight				
(a) Transport of contingent-owned equipment	—	—	—	—
(b) Commercial freight and cartage	150.0	—	143.4	6.6
Subtotal, line 9	150.0	—	143.4	6.6
Total, category III	32 927.8	14 689.2	29 636.0	3 291.8

<i>Category of expenditure</i>	<i>(1) Apportionment^a</i>	<i>(2) Non-recurrent expenditures</i>	<i>(3) Total expenditures (inclusive of non-recurrent expenditures)</i>	<i>(4 - (1-3)) Variance</i>
IV. Other programmes				
1. Election-related supplies and services	—	—	—	—
2. Public information programmes	193.1	20.0	148.2	44.9
3. Training programmes	230.0	—	241.4	(11.4)
4. Mine-clearing programmes	—	—	—	—
5. Assistance for disarmament and demobilization	—	—	—	—
Total, category IV	423.1	20.0	389.6	33.5
V. United Nations Logistics Base at Brindisi	—	—	1 519.5	(1 519.5)
VI. Support account for peacekeeping operations	9 483.7	—	9 483.7	—
VII. Staff assessment	9 890.4	—	8 052.7	1 837.7
Gross requirements, categories I-VII	189 483.7	14 709.2	169 841.0	19 642.7
VIII. Income from staff assessment	(9 890.4)	—	(8 052.7)	(1 837.7)
Net requirements, categories I-VIII	179 593.3	14 709.2	161 788.3	17 805.0
IX. Voluntary contributions in kind (budgeted)	—	—	3.6	^b
X. Voluntary contributions in kind (non-budgeted)	—	—	—	—
Total	189 483.7	14 709.2	169 844.6	^b

^a Based on appropriation provided in General Assembly resolution 52/243.

^b Not applicable. —

Annex II

Supplementary information on significant variances

Military personnel costs

Apportionment: \$2,071,000; expenditure: \$1,933,300; variance: \$137,700

1. The unutilized balance of \$137,700 under this heading resulted primarily from an average vacancy rate of 8 per cent for military observers. (The budget did not take into account any vacancy factors.).

Civilian personnel costs

Apportionment: \$134,687,700; expenditure: \$118,826,200; variance: \$15,861,500

2. The unutilized balance of \$15,861,500 under this heading resulted from reduced requirements for civilian police (\$7,835,100) and international and local staff (\$8,026,400).

Civilian police

Apportionment: \$75,318,500; expenditure: \$67,483,400; variance: \$7,835,100

3. The unspent balance of \$7,835,100 under this heading resulted from lower expenditures for mission subsistence allowance and travel. Lower expenditures under subsistence allowance were due to an average vacancy rate of 5 per cent for civilian police (no vacancy factor was applied in the budget) and the decrease in the rate applicable in the mission area after 30 days from \$90 to \$75 effective May 1999. With regard to travel, although provision was made for 50 kilograms of accompanied excess baggage (compared to an entitlement of 100 kilograms), most airlines waived accompanied excess baggage costs incurred by military observers and civilian police. In this connection, appropriate reductions are being applied to the UNMIBH budget effective 1 July 2000.

International and local staff

Apportionment: \$59,369,200; expenditure: \$51,342,800; variance: \$8,026,400

4. The unutilized balance of \$8,026,400 under international and local staff costs resulted primarily from an average vacancy rate of 13 per cent for international staff, compared to 5 per cent budgeted. Moreover, although the apportionment for international salaries took into account the non-entitlement to post adjustment for mission appointees at the Professional level, savings were realized under this heading as a result of the fact that many Field Service staff were mission appointees. Expenditures for common staff costs were also considerably less than the standard costs because of the large number of mission appointees. The need for further technical adjustments to staff costs was indicated in paragraph 4 of annex II to the report of the Secretary-General containing the performance report of UNMIBH for the period from 1 July 1997 to 30 June 1998 (A/53/764), and appropriate reductions have been applied to the UNMIBH budget as from 1 July 1999. Lastly, there were unutilized resources under local staff salaries because staff were employed at lower levels than budgeted. Appropriate reductions are being applied to the UNMIBH budget effective 1 July 2000.

5. The savings referred to in the previous paragraph were partially offset by additional requirements for general temporary assistance and other travel. Additional requirements

for general temporary assistance resulted from the deployment of 39 staff following the decisions of the Security Council in its resolutions 1168 (1998) and 1184 (1998) to expand the responsibilities of the Mission to include the setting up of specialized training units and a legal reform programme. Travel requirements not foreseen at the time of budget preparation included travel of senior staff to meetings of the North Atlantic Treaty Organization (NATO), the Organization for Security and Cooperation in Europe, the peace implementation conference, inter-agency meetings, briefings of the European Union, regional conferences and symposiums and donor conferences; travel of technical staff to liaison offices in Zagreb and Belgrade and to the meeting on transport of equipment to and from the United Nations Logistics Base at Brindisi, Italy; and payment of meals and accommodation allowance to locally recruited language assistants who were required to be away from their normal duty station for more than 10 hours. Provision for the travel of senior staff to regional meetings and conferences, travel to the liaison offices in Belgrade and Zagreb and travel of locally recruited language assistants has been included in the budget as from 1 July 1999 on the basis of mission experience.

Operational requirements

Apportionment: \$32,927,800; expenditure: \$29,636,000; variance: \$3,291,800

6. The unspent balance of \$3,291,800 under this heading resulted from reduced requirements totalling \$4,241,800 under premises/accommodation (\$110,500), transport operations (\$1,703,100), air operations (\$1,114,500), communications (\$1,275,400), other equipment (\$31,700) and air and surface freight (\$6,600), which were partially offset by additional requirements totalling \$950,000 under supplies and services.

Transport operations

Apportionment: \$10,669,900; expenditure: \$8,966,800; variance: \$1,703,100

7. An unutilized balance of \$1,703,100 under this heading was due primarily to the transfer of spare parts from the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES)/Civilian Police Support Group and to the fact that freight for vehicles was lower than the estimated cost of 15 per cent of equipment.

Air operations

Apportionment: \$1,922,700; expenditure: \$808,200; variance: \$1,114,500

8. Unutilized resources under this heading were due primarily to the fact that helicopter operations have been discontinued since the crash of the MI-8 helicopter in September 1997. In addition, the intervention of NATO in Kosovo from March to early June restricted the operation of civilian aircraft in the region. Lastly, since the airport at Sarajevo remained under the control of the Stabilization Force (SFOR), no landing charges were levied.

Communications

Apportionment: \$9,558,600; expenditure: \$8,283,200; variance: \$1,275,400

9. Unutilized resources of \$1,275,400 under communications resulted primarily from sharing the cost of the transponder lease with SFOR and the reduced need for spare parts and supplies in view of the substantial replacement of old and the purchase of new communications equipment during the period. As a result of savings reported for the

previous period for the same reason, provision for commercial communications has been reduced effective 1 July 1999.

Supplies and services

Apportionment: \$2,879,900; expenditure: \$3,829,900; variance: (\$950,000)

10. Additional requirements under this heading were the net result of additional requirements in the amount of \$1,216,300 for miscellaneous services, partially offset by an unutilized balance of \$266,300 under miscellaneous supplies. Additional requirements under miscellaneous services were attributable mainly to losses on exchange. Unutilized resources under miscellaneous supplies were due primarily to the transfer of supplies from UNTAES/Civilian Police Support Group.

United Nations Logistics Base at Brindisi

Apportionment: none; expenditure: \$1,519,500; variance: (\$1,519,500)

11. The expenditure of \$1,519,500 represents the Mission's prorated share of the cost of maintaining the United Nations Logistics Base at Brindisi for the reporting period, in accordance with General Assembly resolution 52/1 B of 26 June 1998.

Staff assessment

Apportionment: \$9,890,400; expenditure: \$8,052,700; variance: \$1,837,700

12. Unspent resources amounting to \$1,837,700 were due primarily to vacancies in international posts.

Income from staff assessment

Apportionment: (\$9,890,400); expenditure: (\$8,052,700); variance: (\$1,837,700)

13. This amount is derived from staff assessment (see para. 12).

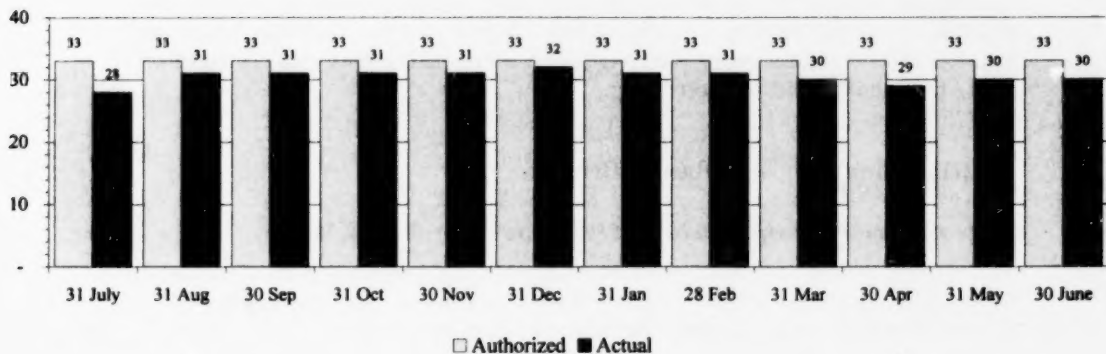
Voluntary contributions in kind (budgeted)

14. Operational maps, valued at \$3,600, were provided to UNMIBH by SFOR.

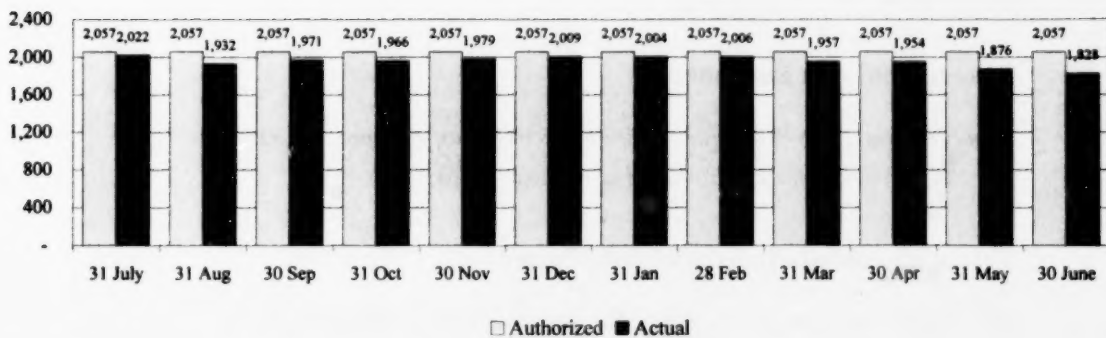
Annex III

Planned and actual deployment of military and civilian personnel for the period from 1 July 1998 to 30 June 1999

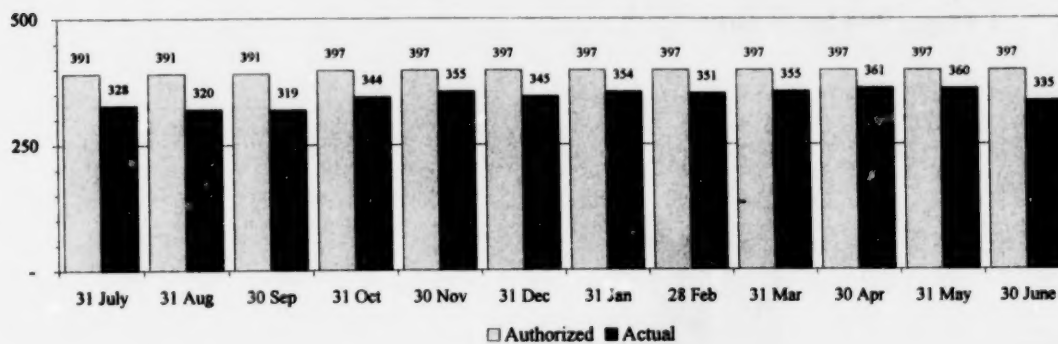
1. Military observers



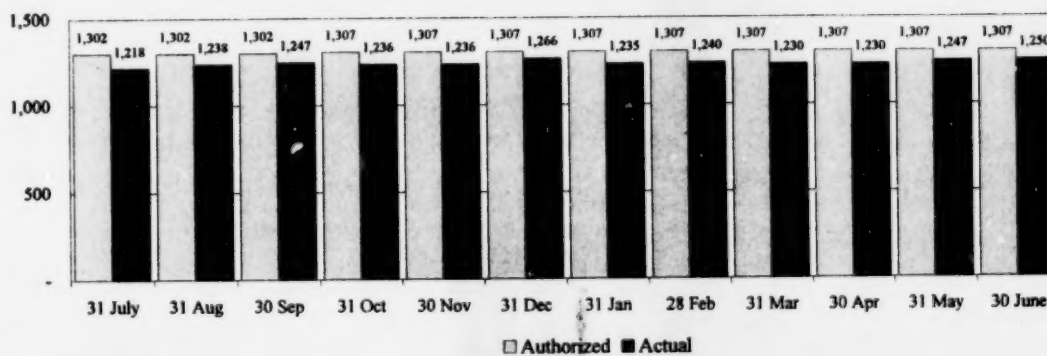
2. Civilian police

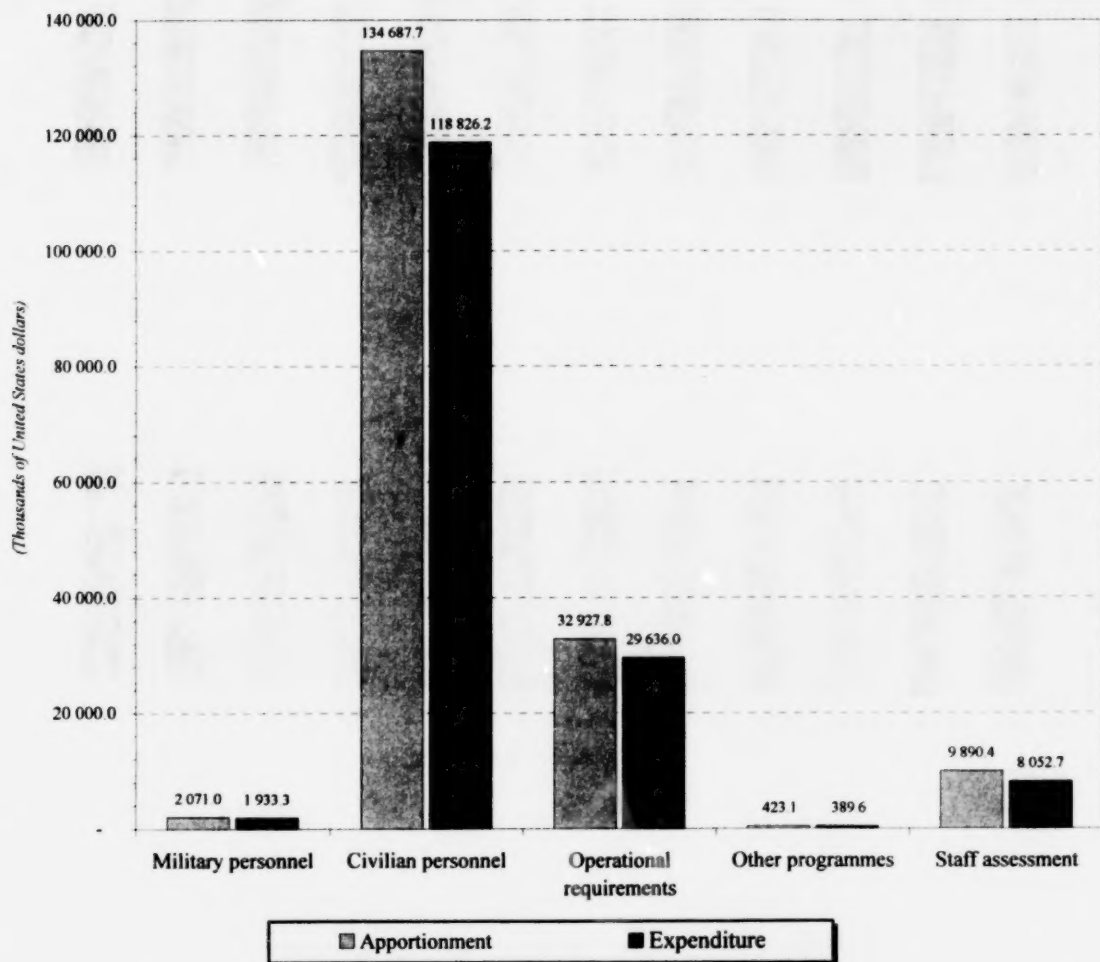


3. International staff



4. Local staff



Annex IV**Apportionment and expenditure for the period from
1 July 1998 to 30 June 1999**

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Security Council**Distr.
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5 January 2000

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GENERAL ASSEMBLY
Fifty-fourth session
Agenda item 63
QUESTION OF CYPRUSSECURITY COUNCIL
Fifty-fifth year

Letter dated 3 January 2000 from the Permanent Representative of
Cyprus to the United Nations addressed to the Secretary-General

Upon instructions from my Government and further to my letter dated 30 November 1999 (A/54/642-S/1999/1211), I have the honour to draw your attention to new violations of the flight information region (FIR) of Nicosia and the national airspace of the Republic of Cyprus by military aircraft of the Turkish Air Force, recorded on 7, 8, 20, 22, 24, 27, 28 and 29 December 1999.

On 7 December, one C-160 Turkish military aircraft entered the Nicosia FIR, violating international air traffic regulations. The aircraft in question violated the national airspace of the Republic of Cyprus flying over the area of Karpasia (Cape of Apostolos Andreas), before exiting in a south-easterly direction.

On 8 December, two F-16 Turkish military aircraft entered the Nicosia FIR, violating international air traffic regulations.

On 20 December, one CN-235 as well as one B-200 Turkish aircraft entered the Nicosia FIR, violating international air traffic regulations. The aircraft in question violated the national airspace of the Republic of Cyprus flying over the area of Mesaoria, before landing at 13.28 hours and 13.33 hours respectively at the illegal airport of Tymbou, in the occupied area of the Republic of Cyprus, from which the B-200 departed, at 13.55 hours, returning to the FIR of Ankara, while the CN-235 remained at the airport.

On 22 December, one F-4 Turkish military aircraft entered the Nicosia FIR and violated the national airspace of the Republic of Cyprus before exiting in a south-easterly direction.

On 24 December, one CN-235 Turkish military aircraft departed from the illegal airport of Tymbou in the occupied area of the Republic of Cyprus and,



after violating the national airspace, exited the Nicosia FIR towards the Ankara FIR.

On 27 December, one C-160 and one Gulfstream Turkish military aircraft entered the Nicosia FIR, violating international air traffic regulations and the national airspace. The C-160 flew over the area of Karpasia before exiting in a south-easterly direction. The same aircraft violated the Nicosia FIR and the national airspace later in the same day and, after flying over the area of Karpasia, exited towards the Ankara FIR. The Gulfstream passenger aircraft, after violating the Nicosia FIR and the national airspace, landed at the illegal airport of Tymbou, from which it departed later in the day in the direction of the Ankara FIR.

On 28 December, one CN-235 Turkish military aircraft entered the Nicosia FIR, violating international air traffic regulations. The aircraft in question violated the national airspace of the Republic of Cyprus, flying over the area of Mesaoria, before landing at 12.27 hours at the illegal airport of Tymbou, in the occupied area of the Republic of Cyprus, from which it departed, at 14.23 hours, returning to the FIR of Ankara.

On 29 December, one CN-235 Turkish military aircraft entered the Nicosia FIR, violating the national airspace, flying over the area of Karpasia before exiting in a south-easterly direction. The same aircraft violated the national airspace once again, later in the day, entering from a south-easterly direction and exiting towards the Ankara FIR.

As stated in my previous letters, these Turkish unauthorized intrusions into the Nicosia FIR and the national airspace of the Republic of Cyprus are in violation of international air traffic rules and, at the same time, they are in contravention of the provisions of the Security Council resolutions on Cyprus.

While strongly protesting these provocative acts by Turkey, I wish to underline the need for showing compliance with the provisions of the Security Council resolutions.

Following the recent resumption of proximity talks under your auspices, it is hoped that the necessary positive attitude will be shown and provocations of this nature will end, so that they will not adversely affect the efforts to find a just and viable solution of the Cyprus problem, on the basis of United Nations resolutions.

I should be grateful if you would have the present letter circulated as a document of the General Assembly, under agenda item 63, and of the Security Council.

(Signed) Sotos ZACKHEOS
Ambassador
Permanent Representative



General Assembly
Security Council

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5 January 2000

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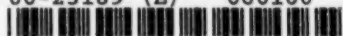
GENERAL ASSEMBLY
Fifty-fourth session
Agenda item 19
ADMISSION OF NEW MEMBERS TO THE
UNITED NATIONS

SECURITY COUNCIL
Fifty-fifth year

Application of Tuvalu for admission
to membership in the United Nations

Note by the Secretary-General

In accordance with rule 135 of the rules of procedure of the General Assembly and rule 59 of the provisional rules of procedure of the Security Council, the Secretary-General has the honour to circulate herewith the application of Tuvalu for admission to membership in the United Nations, contained in a letter dated 16 November 1999 from the Prime Minister of Tuvalu to the Secretary-General.



ANNEX

Letter dated 16 November 1999 from the Prime
Minister of Tuvalu to the Secretary-General

In accordance with the provisions of Article 4 of the Charter of the United Nations and with those of rule 58 of the provisional rules of procedure of the Security Council and rule 134 of the rules of procedure of the General Assembly, I have the honour, on behalf of the Government of Tuvalu and in my capacity as Prime Minister and Minister responsible for Foreign Affairs to request the admission of Tuvalu as a Member of the United Nations.

I would accordingly be grateful if you would arrange for the present application to be placed before the Security Council and the General Assembly for their consideration.

For this purpose, the following declaration is made in pursuance of rule 58 of the provisional rules of procedure of the Security Council and rule 134 of the rules of procedure of the General Assembly:

Declaration

In connection with the application by Tuvalu for membership in the United Nations, I have the honour, on behalf of Tuvalu and in my capacity as Prime Minister and Minister responsible for Foreign Affairs, to declare that Tuvalu accepts the obligations contained in the Charter of the United Nations and solemnly undertakes to fulfil them.

(Signed) Ionatana IONATANA
Prime Minister



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Report of the Joint Inspection Unit on private sector involvement and cooperation with the United Nations system

Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly the report of the Joint Inspection Unit entitled "Private sector involvement and cooperation with the United Nations system" (JIU/REP/99/6).



**PRIVATE SECTOR INVOLVEMENT
AND COOPERATION WITH
THE UNITED NATIONS SYSTEM**

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Joint Inspection Unit



**Geneva
1999**

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ACRONYMS

ACC	Administrative Committee on Coordination
ECE	Economic Commission for Europe
FAO	Food and Agriculture Organization of the United Nations
IAEA	International Atomic Energy Agency
ILO	International Labour Organization
IMO	International Maritime Organization
ITC	International Trade Centre UNCTAD/WTO
ITU	International Telecommunication Union
OLA	Office of Legal Affairs (United Nations)
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNOG	United Nations Office at Geneva
UNOPS	United Nations Office for Project Services
UNOV	United Nations Office at Vienna
UNU	United Nations University
UPU	Universal Postal Union
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

EXECUTIVE SUMMARY : OBJECTIVE, CONCLUSIONS AND RECOMMENDATIONS

Objective : To analyse the lines along which a new partnership between the United Nations system and the private sector can be developed and how the existence of areas of mutual interests and benefits can translate concretely into actions to promote better understanding, so as to better serve the goals of the Organization as a whole.

CONCLUSIONS

A. A fast-evolving environment and changing circumstances have led to an increasingly manifest interest on the part of the United Nations system and the private sector in each other and to their declared willingness to cooperate more and better. This willingness is based on:

- the recognition by the business community of the significant contribution made by the Organization as a whole to the establishment of a favourable environment for the activities of the private sector;
- a thorough understanding and acceptance by the United Nations and all its Member States of the role of the private sector as an active and essential partner in supporting economic growth and sustainable development.

B. Despite this professed rapprochement, however, the objectives and nature of the partnership envisaged need to be further clarified in the United Nations system itself, among Member States and among other constituencies, as well as in the business community. The report, therefore, draws a number of recommendations and suggestions to help clarify these objectives and to enhance mutual understanding and communications with the private sector.

C. The report also shows that the private sector is actually already actively engaged in many United Nations activities, whether they are operational or related to the formulation of policy. It describes how United Nations agencies, funds and programmes are trying to maximize the benefits to be drawn from this engagement while protecting themselves from the risks inherent to it.

D. These precautions, however, are not taken uniformly throughout the system and a number of inconsistencies in their nature and the way that they are applied could undermine the image, credibility, integrity and legal immunity of the United Nations system. While the specificity of each agency, fund and programme may not allow for the establishment of system-wide guidelines in this field, the Inspectors believe that an increased exchange of information and harmonization of procedures is required.

RECOMMENDATIONS

Recommendation 1: The participating organizations should set realistic objectives and expectations for their partnership with the private sector. These objectives and expectations should be clearly enunciated and publicized, possibly through the adoption of a strategic document on this issue to be prepared by respective Secretariats and endorsed by governing bodies (See Chapter II, paras 22, 23 and 25).

Recommendation 2: The Secretariats of the participating organizations should : (a) carry out outreach programmes targeting the private sector; (b) each designate a focal point, or at least identify easily accessible units, to serve the needs for information and assistance of the business community (See Chapter II, paras 26, 27 and 28).

Recommendation 3: Participating organizations should: (a) ensure the presence of United Nations representatives at relevant business events and organize joint encounters; (b) encourage as wide as possible a participation from the private sector in their relevant activities, with special attention to enterprises (and their associations) based in developing countries and/or countries in transition (See Chapter II, para. 28).

Recommendation 4: The working group established by the Secretary-General's Senior Management Group should proceed with drafting guidelines on relations with the private sector and ensure that these guidelines are promptly disseminated throughout the Secretariat, as well as the Funds and Programmes. These guidelines should draw on the important work that has been undertaken by some Funds and Programmes (See Chapter III, para. 85).

Recommendation 5: United Nations agencies that have not yet done so should also adopt a set of guidelines, taking into consideration the work carried out by the working group mentioned in recommendation 4. These guidelines should include a statement of principles as well as a description of procedures to be followed for dealings with the private sector (See Chapter III, paras 63-72 and 79-82).

Recommendation 6: The United Nations should consider ways of ensuring the implementation of Staff Rule 101.6, including the feasibility of extending rules for financial disclosures (See Chapter III, para. 73, 74 and 81). Other participating organizations should also examine whether their respective staff rules and regulations are sufficient to guarantee that staff members do not hold a financial interest in commercial enterprises with which a partnership is envisaged.

Recommendation 7: Concerned offices in all participating organizations should speed up internal processes and establish specific time-frames, within the framework of existing rules and regulations, to ensure that bureaucratic procedures and lengthy time of response do not discourage initiatives from the private sector (See Chapter III, paras. 76-78 and 80) .

Recommendation 8: Suitable mechanisms for the sharing of information and best practices with regard to relations with the private sector should be established, using the ACC structure as appropriate, to ensure consistency of policy and harmonization of relevant procedures throughout the United Nations system (See Chapter III, paras 65, 70 and 84-87).

I. INTRODUCTION

1. Over the past decade, in response to the fast and momentous changes in the political, economic, financial, technological and legal parameters of its environment, the United Nations system has undergone a number of deep transformations, notably in the way that it relates to a private sector which is itself evolving rapidly. In a global and increasingly market-oriented economy, private capital flows vastly outnumber public funds for development and the private sector holds the largest financial, technological and managerial resources. In recognition of this fact, and at a time when the organizations of the System must fight strenuously to maintain the level of their own resources, many of these organizations are clearly attempting to woo the business community into forging closer links with them. Thus, representatives of the business world were invited to attend and provide inputs into the debates of the global conferences of the 1990s, which shaped the agenda of the United Nations for the decades to come. As it has become more widely accepted that there cannot be real peace without development and no meaningful development without peace, the potential for the goals of the United Nations, promoting peace and development, and the goals of business, creating wealth and prosperity, to be "mutually supportive" has also become more evident.¹ The General Assembly thus recognized that "increasing prosperity, a major goal of the development process, is contributed primarily by the activities of business and industry".²

2. At the same time, efforts have been made to remedy the lack of understanding or awareness prevailing in business circles as to the important impact of United Nations system decisions and actions (in particular those of specialized agencies) on facilitating international trade and investment. These efforts should secure the respect by the business community of the principles inspiring the work of the United Nations and increase its understanding of how beneficial the activities of the Organization as a whole are to its transactions in terms of promoting an environment favourable to economic growth and the rule of law. The Secretary-General himself has taken a very active and public role in establishing a dialogue with business leaders through a series of meetings and pronouncements, prominent among them his appeal made at the World Economic Forum in Davos in January 1999

for the private sector to embrace a "Global Compact" of shared values and principles.³

3. Most representatives of agencies, funds and programmes met by the Inspectors in the course of the preparation of this report asserted that they concurred with this vision and were keen on strengthening their links with the private sector, and that they had already initiated a number of actions in this regard. Many also reported, however, that in so doing they often lacked a clear sense of direction, advice to guide them into what they perceived to be a rewarding but difficult and complex relationship, and information on others' practices and experiences in this field. These concerns bolstered the view held by the Joint Inspection Unit that a review of the private sector's involvement and cooperation with the United Nations system, which would draw an overall picture of these new relationships, would be not only timely and useful but also necessary. They decided, therefore, to include this study, originally proposed by FAO, in their work programme for 1999.

4. A certain degree of confusion exists in the United Nations system, as to what exactly constitutes "the private sector", many different interpretations being given to the phrase. Officials in certain of the agencies, funds and programmes defined the private sector as the sum of all non-public entities, including non-governmental organizations (NGOs) and academia. Others gave it a considerably more restrictive connotation limited to profit-making enterprises. It is necessary to clarify, therefore, that for the purpose of this report, the Joint Inspection Unit understands the private sector to mean members of the business community (from small and medium-sized enterprises to major multinational corporations and including the informal sector) and their representatives (who may act through not-for-profit associations or organizations such as Chambers of Commerce or philanthropic Foundations). The private sector will be considered, therefore, as only one of the components of civil society; the latter encompassing many other entities with which the United Nations has already established very strong links. These links, such as the ones with NGOs, differ widely in their objectives and *modus operandi* from the relationship studied below and have been the object of separate reports by the Joint Inspection Unit.⁴

5. In this context, the report examines the practices existing in the various components of the United Nations system for cooperating with the private sector thus defined, the rules or guidelines which regulate this cooperation, as well as the initiatives that have been taken, or are envisaged, in response to the calls made by Secretary-General to take into account the new economic and financial realities of our day and actively engage the private sector. It does not, however, dwell at length on the transactions by which the United Nations procures goods and services from enterprises and individuals. These relations, as important as they are to the effective functioning of the System and though they involve significant amounts of funds, as mentioned below, are of a predominantly commercial nature and have also been the object of many reports and regulations⁵. In most cases, they cannot be described as a "partnership" in the sense of the collaborative relationship outlined by the Secretary-General.

6. Throughout this process, the Inspectors have kept in mind that the ultimate purpose of such a partnership should not be to promote links with the business community for their own sake or to follow some fashionable trend, but to better serve the goals of the Organization as a whole.

7. It should also be stressed that due to operational and financial constraints, the Inspectors were not able to meet representatives of all organizations of the System.

8. The Inspectors wish to extend their appreciation to all those who assisted them in the preparation of this report.

II. A PROMISING RAPPROCHEMENT SOMEWHAT HINDERED BY MISUNDERSTANDINGS

A. Old foundations for a new relationship

9. For all of the recent attention brought by a number of events and pronouncements to the issue of the United Nations relations with the private sector, these associations are not entirely new.

10. It should not be forgotten, in particular, that the United Nations and the private sector have always had extensive commercial links through the procurement activities of the former. While the report does not deal specifically with this type of relation, as stated above, it should be recalled that they involve transactions of a significant amount and have helped build bridges between the business community and many United Nations entities. Some of these entities are, by the nature of their mandates, particularly experienced in this field. The World Food Programme's (WFP) procurement of goods and services traditionally accounts for about 25 per cent of total United Nations purchases, making the Programme the largest procurement organization of the United Nations system⁶. The United Nations Office for Project Services (UNOPS), whose services include the procurement of essential goods, equipment and commodities, is also involved in numerous transactions with private suppliers. Overall, according to some estimates, the United Nations represents an annual market of US\$ 3 billion for suppliers of virtually all types of goods and services. Some also point out that the United Nations market provides a springboard for a company to introduce its goods and services to other countries and regions, and estimate the value of business opportunities emanating from the United Nations system and the Development Banks as approaching US\$ 30 billion annually.⁷

11. The private sector has also long participated, directly or indirectly, in the normative and standard-setting work of the United Nations. The Economic Commission for Europe (ECE) points that, of all its activities, its standard-setting work has always been the most important for the business community. Representatives of the private sector have often participated, as observers or as members of a national delegation in which they are advisers and exceptionally heads, in official meetings and contributed to the elaboration of conventions and

norms which they then have to apply.⁸ In particular, the business community has always been closely involved in ECE's work for the standardization of external trade documents, which led to the development of UN/EDIFACT, the United Nations rules for Electronic Data Interchange for Administrative, Commerce and Transport, work which started nearly thirty years ago. Similarly, UNCTAD relies on the inputs of the private sector for its work in the field of international standards of accounting and reporting, while the oil, chemical and shipping industries contribute significantly to the regulatory work of the International Maritime Organization's (IMO) committees, sub-committees and working groups in the field of maritime safety and marine environment protection. The Food and Agriculture Organization (FAO) states that it has had a long history of cooperation with the private sector in regulatory and normative programs such as the Codex Alimentarius. The World Intellectual Property Organization (WIPO), for its part, has worked closely with representatives of the private sector for over a century, in developing international norms for intellectual property.

12. Furthermore, enterprises in developing countries, in particular Small and Medium-sized Enterprises (SMEs), have been the main "clients" or beneficiaries of a number of United Nations programmes in the field of technical cooperation. The International Trade Centre (ITC) for instance, works with developing countries and economies in transition to set up effective trade promotion programmes for expanding their exports and improving their import operations. In so doing, it offers assistance not only to public institutions such as national trade information services, but also directly to the business community. This assistance may take the form of advice on product development and international marketing for commodities or services, or training of managers in importing and exporting techniques. In fact, the ITC described private SMEs as the main target of its action, noting that governments were only "intermediary clients". ITC also works with trade support institutions, in both the public and private sectors, to ensure multiplier effects and build local capacities. Likewise, UNCTAD, of which ITC is a subsidiary organ⁹, provides direct and indirect services to the

business community in developing countries, including to micro-enterprises in the least-developed countries. SMEs also benefit directly from EMPRETEC (Entrepreneurship and Small and Medium-sized Enterprises), a programme specifically designed to help entrepreneurs start, grow and internationalize their business ventures. UNCTAD estimates that since 1988, 10,000 entrepreneurs in 12 countries of Africa and Latin America have benefitted from assistance provided through EMPRETEC's Business Support Centres which provide access to training, networking and management consultancy services for SMEs.

13. Due to its unique tripartite character, the International Labour Organization (ILO) has always been particularly attentive to the needs of the private sector, which participates fully in the decisions of its Governing Body through employers' organizations. Most of the Organization's departments and, in particular, the Bureau for Employers Activities and the Enterprise and Cooperative Development Department, run technical cooperation programmes benefitting private enterprises. The ILO estimates, for instance, that it has helped 100,000 entrepreneurs through its Start and Improve Your Business Programme, a training package used in more than 70 countries. Its programme of assistance to employers, which covers such areas as industrial relations, human resources development and management development, strengthens the capacity of employers' organizations to respond to the needs of enterprises. Other programmes targeting private enterprises include the International Programme for the Elimination of Child Labour (IPEC) and the Work Improvement in Small Enterprises (WISE) Programme.

14. Over the years, and due to the very nature of the mandate of the United Nations Industrial Development Organization (UNIDO) as the specialized agency for industrial development, private sector development has become the objective of most of the agency's technical cooperation in developing countries. A special dedicated branch for private sector development was established which concentrates on creating an enabling framework and strengthening institutional capacities to render effective advisory and networking services to SMEs. UNIDO estimates that some 22,000 SMEs have already been assisted through services rendered by the Branch. Furthermore, UNIDO works with developing countries and countries in transition to

set up effective information networks that are designed to provide easy access for SMEs to all types of information and knowledge required to make their business succeed and grow. UNIDO also assists SMEs in developing countries in their efforts to phase-out the consumption of ozone depleting substances. The agency has already mobilized US\$ 144 million for investment projects directed mainly to helping private enterprises convert their production lines to non-Ozone depleting substances.

15. The United Nations Development Programme (UNDP) also offers a range of services to the private sector, through such programmes as UNISTAR (United Nations International Short Term Advisory Resources) whose clients includes small and medium-sized enterprises, manufacturers' associations and chambers of commerce. UNISTAR, which has access to a broad range of business and technical skills, arranges short-term missions abroad by leading international experts and managers, who can help solve many of the problems which hinder enterprises anywhere.

16. The relationship with the private sector, therefore, is not new. However, a fundamental shift in the way that the United Nations approaches the private sector, and perhaps in the way that the private sector sees the United Nations, has occurred in recent years. Symptomatically, UNOPS recently announced that an international conference on partnerships between the private sector and the United Nations, the first of its kind, would run parallel to "Aid & Trade", a large exhibit of goods and services offered by corporations to multilateral organizations, to be held in the spring of 2000 in New York. The stated objective of the conference is to "invite the private sector to move beyond a commercial relationship with the United Nations and become a partner in reducing poverty, promoting environmentally sustainable growth and extending the benefits of globalization to the poorest countries"¹⁰. The same message has been conveyed in recent years to leaders of the private sector by United Nations officials in countless speeches and high-level encounters.

17. The new willingness of the United Nations to embrace the private sector and cooperate with business rather than confront it, is also illustrated by the language used in a number of General Assembly resolutions over the past few years. As early as 1993, for instance, the General Assembly,

recognizing the importance of the private sector for the efficient functioning of economies in various stages of development, recalled "with satisfaction" the active collaboration between the United Nations system and private-sector associations, such as the International Chamber of Commerce, the Business Council for Sustainable Development and the Chamber of Commerce and Industry of the Group of 77.¹¹

18. The strong leadership of the Secretary-General in this endeavour and his expressed conviction that the goals of the United Nations and the private sector can be mutually supportive has given additional momentum to a rapprochement made necessary by changes in the global environment. In his report on reforming the United Nations, issued in July 1997, a few months after his assumption of the post, the Secretary-General emphasized the importance which he attached to the issue and pledged that arrangements would be made with leading business organizations to facilitate the dialogue between representatives of business and the United Nations.¹² A few months later, in January 1998, the Secretary-General delivered a speech at the World Economic Forum in Davos, where he spoke of a "fundamental shift" which had occurred at the United Nations. The Organization, he said, now knew that peace and prosperity could not be achieved without partnerships involving governments, international organizations, the business community and other components of civil society. The Secretary-General added that while the United Nations and the private sector were "still overcoming a legacy of suspicion", they could "bridge these differences and turn what had been fledgling arrangements of cooperation into an even stronger force".¹³

19. This evolution in the way that the United Nations views the private sector and the role that it can play in furthering the goals of the Organization is mirrored by a shift in the way that the private sector now perceives the United Nations system and its role in developing a "business-friendly" international environment. This new perception was clearly formulated by the President of the International Chamber of Commerce who stated last year that "As trade and markets become global, and many problems can no longer be solved at a national level, we need effective global decision-making and institutions; and we need a meaningful international policy dialogue involving business."¹⁴ Thus, there

seems to be a growing realization in business circles of the importance of adequate institutional frameworks to support the increasing economic interdependence among nations and an acceptance of the fact that a strong United Nations is good for business.

20. Also symptomatic of this increased awareness in the private sector are the initiatives taken by a number of business groupings that promote the notion of corporate responsibility, in such fields as environment protection or social development, to establish links with the United Nations system. The World Business Council for Sustainable Development, for instance, a coalition of 120 international companies formed in 1995 to provide a unified and responsible response to the challenges arising from the 1992 Earth Summit, has been closely involved with the review process of the implementation of the decisions taken in Rio de Janeiro. The Prince of Wales Business Forum, in whose Board some 50 Chief Executive Officers or senior executives from leading international companies participate, is another example of an organization promoting "socially responsible business practices" to help achieve sustainable development, and which has been keen to forge strategic alliances with international agencies for this purpose.

21. The new interest taken by the private sector in the activities of the United Nations has also been spectacularly illustrated in recent times by donations of unprecedented amounts from Foundations directly linked to business leaders. The United Nations Foundation and its counterpart in the United Nations Secretariat, the United Nations Fund for International Partnerships (UNFIP) have created an innovative model for harnessing private donations in service of multilateral development and humanitarian assistance. This initiative has since been emulated by others in the business community, and may signal their renewed confidence in the unique ability of the United Nations system to design and implement assistance programmes in certain key fields of human development.

B. Understanding the nature, purpose and limits of the partnership

22. The Inspectors believe it necessary to recall the view often expressed that significant and helpful as fund-raising may be, it is not the primary

objective of the partnership being developed between the United Nations and the private sector. They noted that a certain level of confusion persists in the System itself as to whether the quest for additional financial resources should be the leading factor in efforts made to build bridges between the Organization and the business community. It has been repeatedly clarified, nevertheless, that the partnership sought should aim primarily at encouraging the corporate sector to espouse the values of the United Nations, at channelling investments towards least developed countries and/or certain socio-economic sectors and at building a strong new constituency for the Organization as a whole. A number of important statements have been delivered by top United Nations officials explicitly denying that the United Nations was simply "after the private sector's money". A recent address by the Executive Director of UNICEF was particularly clear in this regard as she cautioned against adopting a "limited and patronizing view" of what the private sector can bring to a relationship with the United Nations.⁵

23. The Secretary-General has also thought it necessary to further elaborate on what he expected from the private sector and delivered a highly-publicized speech on this theme, again at the World Economic Forum, in January 1999. In his address, the Secretary-General challenged the business leaders gathered in Davos to "embrace and enact", both in their individual corporate practices and by supporting appropriate public policies, a number of agreed values and practices in the fields of human rights, labour rights and the protection of the environment. He proposed that the private sector and the United Nations initiate a "global compact" of shared values and principles, which would give a "human face" to the global market.¹⁶ The message seems to have been understood by the business community without prejudice to a clear distinction of roles and division of labour between the private sector and the United Nations, both sides accepting that they can, in their respective spheres of activities and competencies, find ample ground for cooperation.¹⁷

24. Significantly, in some sectors, enterprises seem to be willing to voluntarily abide by a number of rules, even if those cannot be assumed to be or referred to as "codes of conducts". A very interesting example in this regard is that of UNEP's Financial Institutions Initiative, through which

UNEP has been working very closely with commercial banks, investment firms and insurance companies to encourage the incorporation of environmental concerns into their business priorities. Leading insurance companies and commercial banks have thus pledged to integrate environmental factors into core business operations by signing a UNEP brokered Statement¹⁸. UNEP is leading other initiatives of this type with sectors such as mining, oil, tour operators, advertising and telecommunications, and has developed a series of activities (publications, workshops and conferences) aimed at promoting responsible entrepreneurship in the private sector.

25. In order to dispel the remaining confusion and misunderstanding within the United Nations system as well as in the private sector as to the purpose and nature of the proposed relationship, the heads of all United Nations entities who have not yet done so may want to examine the possibility of clearly formulating and advertising their expectations for the relationship with the business community through the drawing of a strategic document on this subject. FAO, for instance, has produced a "Strategy for FAO/Private Sector Partnership to achieve Food Security", with the main objectives reflected in the draft Strategic Framework now being reviewed by its governing bodies.

26. Efforts are also needed to disseminate information on the United Nations and the various ways in which it can work with the private sector through key actors to be identified and through carefully targeted outreach programmes. It is imperative, in particular, that efforts continue to highlight to the private sector all the benefits, direct and indirect, that it draws from the work of the United Nations. The Inspectors have taken note of the United Nations Secretariat's initiative to develop a website specifically devoted to the issue and providing links with many relevant offices in the United Nations system.¹⁹ They note, however, that some agencies have not, to this date, used this website to its fullest potential.

27. The Inspectors also believe that the designation of focal points by all United Nations agencies, funds and programmes would prove very useful, especially if they are staffed with appropriately trained officials. Efforts to provide specialized training, such as those undertaken by the United Nations Staff College to develop a cadre of

"partnership brokers", are to be encouraged.²⁰ In many cases, as shown in Annex II, offices have already been designated to serve as an entry point for businesses interested in working with the United Nations or simply learning more about its activities, to design outreach programmes aimed at the private sector, to ensure consistency in the organizations' policies and practices in its contacts with the private sector and/or to be the depository and guardian of any guidelines which may be adopted in this field (see Chapter III). They have taken note of the concern expressed by a number of agencies that contacts with the business community should be initiated and conducted at the level of individual programmes, but believe that the two need not be mutually exclusive.

28. Communication endeavours would also help allay the concern among certain Member States as well as among other constituencies of the United Nations that the Organization only relates to wealthy multinational corporations and business circles in developed countries. This may involve efforts to encourage the emergence or strengthening of associations or business groupings in developing countries or countries with economies in transition as privileged interlocutors of the United Nations, as well as efforts to facilitate the participation in United Nations forums for dialogue with the private sector of small and medium-size enterprises from these countries.²¹ At the same time, there is also a need to ensure that private sector representatives at United Nations events are practitioners with real hands-on experience rather than just representatives of trade associations.

29. Efforts are also needed to bridge the differences between NGOs and the business community and convince the former that the United Nations does not view its cooperation with the various components of civil society as a zero-sum game, where improved links with business would necessarily result in a declining interaction with the non-governmental community. It should be made clear that the growing contacts between the United Nations system and the private sector are part of a larger effort to bring in all components of civil society into the work of the Organization, and in particular into those programmes focusing on development. It should also be pointed out that NGOs may also be helpful to the United Nations in assessing the value of cooperation with certain corporations.

30. Finally, a recommitment by Member-States to developing, through multilateral channels, the normative, economic and technical infrastructure that allows business to operate and prosper at the international level, would also go a long way towards overcoming the legacy of suspicion mentioned by the Secretary-General. The General Assembly recently emphasized the importance of a supportive international economic environment, including investment and trade, for the promotion of entrepreneurship and privatization. The Assembly also recognized the important role of Governments in creating, at the national level, an enabling environment supportive of entrepreneurship and facilitative of privatization, in particular in establishing the judicial, executive and legislative frameworks necessary for a market-based exchange of goods and services and for good management.²²

III. A REWARDING BUT COMPLEX RELATIONSHIP

A. Strong and diverse links

31. Recognizing the imperative of cooperation described above, many agencies and programmes have in fact steadily increased their operational and policy links to the private sector in recent years in the following ways:

(a) Mobilizing resources for United Nations programmes

32. The mobilization of resources from the private sector is one, although not the main, objective of the partnership being developed. The financial difficulties encountered by the United Nations system over the last decade, linked to a general decrease in official development funds channelled through multilateral organizations, have led many agencies, funds and programmes to seek assistance, financial or in-kind, from other sources and from the private sector in particular. In some cases, as for UNHCR, this has been done at the specific request of governing bodies. Although for many agencies, the amounts involved are still rather limited²³, others have been quite successful in this regard, and have collected important funds for the implementation of specific programmes. A recent example of such success was the announcement by WHO, last July, that a diamond mining and trading company, would make a substantial donation to help fund National Immunization Days in Angola and assist WHO in its polio eradication effort in that country. As for UNICEF, it has already raised over US\$ 18 million through its "Change for Good" project, whereby major airlines collect and donate leftover foreign currency from passengers returning home. The Economic Commission for Europe indicates for its part that while in the 1992-1993 biennium the overall private sector contributions in cash to its programmes amounted to some US\$ 683,000, in 1996-1997, they had increased to some US\$ 1,500,000.²⁴ Private sector contributions to UNIDO projects amounted to US\$ 29 million between 1994 and 1998.

33. Examples of in-kind donations also abound. Earlier this year, at the height of the Kosovo refugee crisis, a leading computer software corporation provided computer support to UNHCR (in the form of registration kits including laptop

computers, digital cameras, specialized ID card printers and other hardware and software applications designed especially for the project) to develop a registration system for refugees. WHO has long cooperated with private companies in its efforts to eradicate infectious diseases, a notable example being that of its campaign launched in 1988 to combat onchocerciasis (or river-blindness), which is based on the donation of drugs by a pharmaceutical company over a long period of time. In-kind contributions also often take the form of the provision of technical expertise, high-level advisory services and training, as in the case of Thailand's Business Coalition for AIDS, through which some 126 enterprises provide assistance to UNFPA initiatives in the field of AIDS prevention.²⁵ In another example, UNIDO and one of the world's leaders in salt technology passed an agreement in 1999 to assist the salt industry in a developing country in its programme to eliminate iodine deficiency disorders.

34. The private sector is sometimes called upon to provide expertise even more directly through the secondment of staff to United Nations offices, a practice which is still, however, rather uncommon and disputed because of its many practical and ethical difficulties. WHO informed the authors of the report that a private pharmaceutical company had seconded a staff member to the agency's Tobacco Free Initiative. The ECE states for its part that it uses a number of staff on loan from the private sector, who do not exceed 3.5 per cent of the total number of professionals in the Secretariat of the Commission, but are concentrated in a few of its units, dealing mostly with specific industrial sectors (steel, chemicals and gas).²⁶ It notes, in a remark that certainly applies to most United Nations activities, that the presence of staff from the private sector brings to the Secretariat special skills and often a more practical approach to the issues addressed, adding that companies also benefit from the contracts and a broader view of the problems of their sector obtained by their seconded staff. UNEP is also fully in favour of receiving seconded staff, and openly calls on the business sector to second industry personnel to work with it on specific technical issues and share practical expertise.²⁷

35. Nowhere in the United Nations system,

however, has the process been developed to the extent that it has been in the World Bank, which has a well-established Staff Exchange Program. Through this Program, the Bank and partner institutions (typically large private companies) assign staff to each other for a period of two years, in the hope of developing long-lasting relationships, foster cultural exchanges and enhance their respective skills. However, because of the practical and deontological problems cited above, not least the closeness of the practice to the controversial one of gratis personnel, it seems rather doubtful that this experience can be expanded in the United Nations system. On the other hand, some enterprises could be called upon to host United Nations staff for limited periods of time and provide them with training in fields relevant to their work.

36. In some instances, corporations have financed research and training programmes set up by United Nations entities, such as the United Nations University (UNU). Thus, the UNU provides five fellows every year with individually-tailored research training in food biotechnology and post-harvest food conservation techniques, with support obtained from a brewery company.

37. Public advocacy and awareness campaigns are other fields where the business community's resources have been and continue to be used by the United Nations. The private sector's obvious advantage in terms of advertising and marketing expertise can serve to raise the profile of certain operations or events or simply to increase public awareness of United Nations activities. The fiftieth anniversary commemoration of the United Nations, to which major companies including international airlines lent their advertising resources, may have set a trend in this regard. UNHCR remarked that increased relations with the private sector, and through it with the "real world" of consumers and employees, would allow it to reach the general public very effectively. Similarly, UNESCO stressed that its influence on the "world of culture" could be exercised not only through public institutions but also by using the private sector as a vehicle for its campaigns and ideas.

38. In certain fields where public advocacy is particularly crucial, such as the fight against HIV/AIDS, the United Nations has already gained important allies in the corporate sector. UNAIDS cooperates with a large television broadcasting

corporation specialized in musical programmes in its efforts to reach critical segments of the world population. The Executive Director of UNAIDS recently pointed out that "reaching young people is a key element in the fight against the AIDS epidemic" and that the "creativity and energy of the private sector needs to be harnessed to reach this important population worldwide". The President of the television corporation added that "modern marketing techniques used for selling goods and services to the youth market are most effective in reaching out to youth concerning AIDS".²⁸

39. Another important means of communication which the United Nations is using to disseminate information and raise public awareness is the Internet, where the dominance and technical superiority of the private sector is even more pronounced. In April 1999, UNDP announced that it had teamed up with an Internet giant to organize a global concert against extreme poverty, known as NetAid, which was broadcast in October via the Internet. In preparation for the event, the corporation pledged its vast technical resources to develop a global "Net Aid" website that would help mobilize public support for UNDP's programmes. The website will also provide Internet users with an easy way of contributing money or in-kind support to specific development projects.

(b) Joining forces in the implementation of projects

40. It would be impossible to draw an exhaustive list of the numerous projects undertaken jointly by United Nations agencies, funds and programmes with members of the private sector in the last few years. The Inspectors consider it useful, however, to provide here some examples of these projects, to illustrate the scope and importance of operational activities in which the United Nations is now cooperating closely with the business community. While addressing very different issues and operating in many different ways, these projects are all characterized by the strong technical expertise brought to them by the private sector and their practical, concrete objectives.

41. In one example, a computer manufacturing giant signed an agreement with UNDP in 1996, announcing that they would work together to help developing countries receive a wide range of information technology, consulting and support

services. In the framework of this project, the company not only donates a wide range of computing equipment to the UNDP's Sustainable Development Networking Programme (SDNP), but its technical personnel or business partners also act as advisers to SDNP staff to ensure that local users in the developing countries are trained.²⁹ The E7 Network of Expertise for the Global Environment, comprised of eight of the world's leading electric utilities, also collaborates with UNDP to provide technical assistance to developing countries through projects aimed at promoting efficient generation and use of energy.

42. The oil and shipping industries are cooperating with IMO under the so-called "global initiative" to implement the Oil Pollution Preparedness Response and Cooperation Convention. Through the initiative, IMO and the private sector jointly organize activities aimed at developing national and regional systems for preparedness and response to oil pollution. Another example is the Universal Postal Union's (UPU) cooperation with a private telecommunications company in establishing POSTNet, the Universal Postal Union's global postal telecommunications network. Most of POSTNet's network facilities are supplied, operated and supported by the company, on behalf of UPU, in the form of a virtual private network.

43. In 1998, UNIDO launched its Private Sector Partnership Programme, which forges multisector partnerships between SMEs, government institutions, civil society institutions, and the international business community, to identify the challenges and opportunities faced by SMEs and support them in improving their performance. In the first pilot case of the programme, a large car manufacturer, the Prince of Wales Business Forum, one of the leading business schools in Europe and the Ministry of Industry of India, have joined forces to assist SMEs in the Indian automotive component sector improve their productivity, quality, delivery time and profitability.

44. The outcome of the Partners for Development Summit held by UNCTAD in 1998 exemplifies the range of issues on which cooperative projects between the United Nations and private enterprises are now being agreed on. During the four-day meeting, 18 partnership "understandings" were finalized between the UNCTAD Secretariat and private and public

organizations. They covered the fields of international transport, investment promotion, electronic commerce, the promotion of small and medium-sized enterprises, agricultural commodities, the conservation of biodiversity and sustainable development. In one such "understanding", a Brazilian Bank focusing in particular on environmental concerns, undertook to work with UNCTAD on the promotion and execution of biodiversity-related business and on fund-raising for the sustainable use of biological resources in the countries sharing the Amazon region.³⁰ The General Assembly welcomed efforts by the Secretary-General of UNCTAD to build a lasting partnership for development with non-governmental actors, and referred in particular to the "Partners for Development" initiative.³¹ Business also works directly with the UNCTAD Secretariat to advance the goals of the Kyoto Protocol on Climate Change, through the development of greenhouse gas emissions trading schemes, in the International Emissions Trading Association.

45. Similarly, two meetings between business leaders and high-level United Nations officials held at the United Nations Staff College in Turin in 1998, and organized by the ILO in cooperation with the Prince of Wales Business Leaders Forum, led to the adoption by participants of some 20 projects. These projects include collaboration in areas as diverse as water development, human rights, low-cost housing, health promotion or management training. The Inspectors have been informed, however, that none of these agreements have yet been translated into concrete actions, which leads them to remark, in a cautionary note, that actually implementing joint projects with the private sector may be much more complex than contemplated at the design stage.

46. Other activities associating closely the private sector include the Economic Commission for Europe BOT (BOT) Advisory Group, established in 1996. The Group's primary objective is to advise Governments on how to attract investment in infrastructure, such as toll roads, railways, ports, tele-communications, power plants and water treatment. To this end, the Group disseminates information and provides advice on a new type of project finance called Build, Operate and Transfer (BOT). It involves the world's leading enterprises involved in infrastructure construction and financing. The Group brings together western and eastern European companies and Governments to

work together on concrete projects, thus creating a network based on public-private partnership principles.³²

(c) Encouraging private investments in critical development areas

47. During the preparatory phase of this report, one of the main reasons cited by United Nations organizations for increasing their contacts with the private sector is the urgent need to channel private investments towards a number of areas crucial to development or towards countries which have not so far benefitted from the enormous flows of private capital³³ and the boom in global private finance which has resulted from fundamental changes in financial markets and institutions. Many believe that the United Nations can play the role of an "honest broker" between, on one side the corporate sector and the international financial community and, on the other side the poor. Among them, FAO considers that "its leadership and credibility in food security will be enhanced as it demonstrates overtime that it has brokered increased private investment".³⁴ Thus, many initiatives aimed at building linkages between the global business community and the emerging private sector in developing countries or countries in transition have been launched in recent years.

48. UNDP has been particularly active and engaged in such initiatives at the micro level. Among the best-known is the "Money Matters Initiative", a public-private sector partnership of leading private investors, which conducts research on financial innovation to enhance the use of private capital for development and seeks, for instance, to link global pension funds and mutual funds with the world's as yet-to-emerge markets. UNDP is also involved in efforts to match the financial needs of entrepreneurs in developing countries with the great lending capacity of financial institutions in the industrialized world. It has explored innovative mechanisms (such as the MicroStart Programme) to promote micro-finance and has enlisted the support of major financial firms for this purpose. Calling micro-finance the "next emerging market", UNCTAD has also undertaken in the last few years a number of actions to build partnerships of mutual interest between leaders in the mainstream financial sector and the micro-finance industry. It has spurred, for instance, the creation by a large international Bank of a private fund investing part of

its portfolio in micro-banks in developing countries.³⁵

49. Other actions are being undertaken to direct investments towards potentially rewarding but often ignored markets. In 1995, UNCTAD organized, with UNDP and UNIDO, an International Conference on privatization in Uzbekistan designed to familiarize the international business community with Uzbekistan's privatization programme and to provide investors with information on Uzbekistan's specific investment opportunities. The Conference, which was the first one organized by UNCTAD targeting specifically the international business community, brought together government representatives, some 2000 international business executives and representatives of business organizations such as the ICC, leading to the signature of some 18 business "understandings". UNCTAD has also recently launched a joint project with the International Chamber of Commerce designed to help least developed countries become more attractive to foreign direct investors. The project involves the preparation of investment guides to countries in Africa and South Asia, the first of which was an investment guide to Ethiopia prepared by a leading management consulting firm.³⁶

50. Through its Global Initiative launched in 1997, UNFPA is also exploring its role as an "honest broker" between the business community, governments and those sectors of the population that are most in need of assistance. This initiative is developing model approaches to involve the for-profit sector (as well as NGOs) in making affordable commercial products and services in the field of reproductive health more accessible to users in developing countries.

(d) Bringing the private sector into policy formulation

51. Increasingly, the involvement of the private sector into United Nations activities occurs not only at the operational level but also "upstream" at the policy level. Representatives of employers' organizations have, of course, always fully participated in ILO's policy-making machinery. More recently, the private sector has also become a fully-fledged participant in the international decision-making process in technical or scientific fields, such as telecommunications, while in others such as the environment, meteorological services or

intellectual property, it is brought into consultations at an early stage.

52. The Earth Summit marked a turning point in this regard. Business and Industry were identified in Agenda 21 as one of the "Major Groups" whose participation should be sought by the United Nations in setting strategies and policies for sustainable development. The Commission for Sustainable Development clearly intends to position itself as a leader among inter-governmental bodies for being open, transparent and accessible to all Major Groups. It has indeed experimented with new forms of participation such as the Multi-Stakeholder Dialogue Segments during its sessions, which have allowed the Major Groups, business among them, to contribute to some extent to the decisions taken by the Commission.

53. The General Assembly itself has begun to seek the advice and contribution of the business community in some of its economic and financial deliberations. Thus, leaders of major corporations were invited to participate last year in a Panel Discussion held jointly by the Assembly's Second Committee and UNCTAD on the impact of the financial crisis on trade, investment and development.³⁷

54. The ITU's membership includes 188 Member States and over 570 "Sector Members" representing a wide range of organizations with an interest in telecommunications, including all the major players in service provision, equipment manufacturing, network and radiocommunication infrastructure design and development. The Sector Members³⁸, who have to contribute to the expenses of the Union, can genuinely influence a great variety of the Union's activities, by participating actively in the work of its Study Groups, working parties or seminars, by presenting their views, either orally or in written form, at the preparatory stages of decisions and throughout the process which leads to the adoption of recommendations, resolutions and other policy guidelines. They also have access to all documentation and may be called upon to chair study or expert groups. Recognizing the growing role of the private sector in the field of communications, the ITU has launched a world campaign to recruit more Sector Members and hopes to increase their numbers to 1000 by the year 2002.

55. Others acknowledge the need to integrate

the private sector further into their activities in order to maintain their relevance in fields increasingly influenced by private actors. The trend towards alternative ways of providing meteorological services, including their possible privatization, and the fact that in several countries, even the national Meteorological Services operate in whole or in part as corporations, have led WMO, for instance, to consider the feasibility and desirability of instituting some form of affiliate membership, with a fee, for the purely private meteorological and hydrological organizations in return for their participation in WMO's technical bodies of a non-policy making nature.³⁹ The Council of Administration of UPU, for its part, decided this year to invite for the first time as observers to the Union's Congress representatives of various stakeholder organizations in the postal sector, including associations of private postal operators. These associations will now be able to express their views on various regulatory and competition issues that may affect their business.

56. By the nature of its mandate, WIPO has a bi-polar orientation and serves the private sector economy (intellectual property rights being in great majority owned by private companies) as well as its Member States. Recognizing this specificity, as well as the fact that some 84 per cent of its income is generated by fees paid by the private sector through international registrations systems for patents, trademarks and industrial designs, WIPO has made it one of its declared priorities, in the last few years, to draw into its work the major users of the intellectual property system. Two new advisory bodies have been created (the Policy Advisory Commission and the Industrial Advisory Commission) with the specific participation of the private sector. WIPO described the Industrial Advisory Commission as the only example of industry-body ever constituted to provide formal advice to a United Nations agency. The Commission was asked not only to convey its members' expectations regarding WIPO's activities but also to identify and debate key areas of work for the future.

57. Top executives from forest product companies and industry associations worldwide participate in the FAO Advisory Committee on Paper and Wood Products which advises the Organization on how best to assist developing countries advance their forest industries. Other agencies or programmes, while they have not set up

such mechanisms to receive formal policy advice from the business community, have established the practice of running informal consultative meetings with working-level representatives of those industrial, financial or commercial sectors more directly concerned with their activities, thus ensuring that their knowledge, advice and concerns are taken into account in the formulation of strategies and policies presented to Member States for approval.

B. Difficulties incurred :

58. Because of the weakness of the present normative situation in this field, a certain degree of risks and difficulties is associated with the various relationships described above, risks of which most agencies are well aware but do not always know how to protect themselves. During the course of the meetings held by the Inspectors for this report, the following problems were frequently mentioned:

(a) A weak normative framework

59. While the financial rules of each agency or programme normally regulate the receipt of contributions from non-governmental sources, there is an absence of regulations to govern the relations of the United Nations with the private sector, others than regarding the use of the name and emblem of the Organization (see paragraphs below). In particular, the United Nations has not promulgated a specific regulation, rule or procedure to regulate the manner in which private donors may be acknowledged, which has led the various entities of the System to adopt different, sometimes diverging policies and practices on this important point (see part (c) of this Section).

60. Since December 1946, the use of the Organization's name and emblem has been governed by General Assembly resolution 92 (I) (the text of the relevant paragraphs of the resolution appears in Annex III), which itself has given rise to varying interpretations over the course of five decades. The resolution reserves the use of the United Nations name and emblem for official purposes of the Organization and prohibits their use by outside entities without authorization of the Secretary-General. On the basis of the resolution, the Secretary-General has developed a policy concerning the granting to outside entities (normally not-for-profit) of the right to use the name and emblem. The United Nations Office of Legal Affairs

stresses that this longstanding policy prohibits the use of the name and emblem for commercial purposes as such, and that the Organization should maintain this policy, which is based on the need to maintain the protection provided to the name and emblem under international laws, as long as they are not used for commercial purposes. It also protects the Organization from financial risks that are associated with commercial use of the name and emblem, and, more generally, the risks to the financial and other interests of the Organization that may result from the use of the name and emblem in a manner or by individuals or entities that may not be consistent with the aims, policies and activities of the Organization.

61. At the same time, the Office of Legal Affairs states that this policy does allow for the use of the name and emblem of the Organization in a wide variety of circumstances, including their use by commercial entities where the principal aim is to support the United Nations, its policies, aims and activities, provided that measures are taken to avoid the suggestion that the United Nations is endorsing the products or services of such entities. It adds that an analysis of the policy and practice of the Organization as to the extent to which the name and emblem can be authorized for use in publicizing activities, reflects the discretion that the Secretary-General has in this regard. In fact commercial entities making donations or sponsoring United Nations projects have been occasionally authorized by the Organization to use its name and emblem. The Office of Legal Affairs, however, expresses concern at the particular difficulties raised by the issue of the possible use of the emblem by third parties for fund-raising purposes. The underlying concern is that should problems arise during the course of fund-raising activities where the operational decisions on seeking and disbursing funds would be taken by individuals not accountable to the Secretary-General but using the Organization's name and reputation, the Organization would be exposed to the risk of litigation.

62. The overall picture that emerges from documents reviewed and interviews conducted for this report, is one of concurring basic principles but somewhat diverging practices, in particular as regards the selection of partners, the recognition of contributions and the avoidance of conflicts of interests.

(b) The selection of partners

63. While a number of agencies or funds have established clear criteria for accepting or rejecting proposals for cooperation with individual enterprises (see C. below), many have not and could be exposed to the risk of associating themselves with companies whose goals or activities are not compatible with those of the United Nations or are perceived to be so. Some have even expressed reluctance to set up a screening process, which they see as potentially arbitrary and discouraging to private enterprises. Without it, however, organizations of the United Nations system become extremely vulnerable to attempts by some controversial companies to "cash in" on their name and reputation and to criticisms from Member States and non-governmental organizations. The Inspectors wish to stress, therefore, the need to protect effectively the image of the United Nations as the absolute pre-requisite of any partnership. UNESCO, for instance, states that it will not consider proposals made by private entities involved in activities which do not comply with United Nations aims and principles, are involved in past convictions for unlawful activities or are involved in activities contrary to United Nations sanctions in force. Once again, the address by the Executive Director of UNICEF to the Harvard Development Conference (see paragraph 22) provides a useful guide in this regard. She stated: "The heart of the matter is the exercise of due diligence. The United Nations must look carefully at these companies. This does not mean putting them under a microscope...but identifying organizations whose behaviour, on balance, shows evidence of a willingness to exercise corporate responsibility".⁴⁰

64. It was also pointed out to the Inspectors that even with an adequate screening process in place, globalization and the cross-ownership of companies made it sometimes difficult to identify with certainty those that should be excluded from cooperation with the United Nations. WHO and UNICEF both cited the case of a company that because of cross-participation in controversial activities was not considered eligible for cooperation. Others stressed that most major corporations have somewhere in their past or present some controversy. It is essential therefore, that each agency decide clearly on the criteria which makes a corporation acceptable for partnership with it as a United Nations entity, and that it not rely exclusively

on the advice of screening proxies such as "ethical research agencies".

65. Also problematic is the fact that companies which may be rejected as inappropriate by an agency may be accepted by another. While the differing mandates, objectives and activities of the various United Nations entities may account for these divergences, they may ultimately reflect negatively on the Organization as a whole and call for better coordination within the System. For a start, the sharing by United Nations agencies, funds and programmes active in this field of the lists of their present partners could serve to draw an informal profile of the type of enterprise most likely to be successfully engaged by United Nations actors. It may also be possible, as advocated by some agencies, to define specific industries which should be placed in a separate category of complete exclusion from collaboration with any United Nations entity. WHO, in particular, stresses that the weapons industry, which is involved in product development that opposes the mission of the United Nations, and the tobacco industry, given the inherently deadly nature of its products, should be entirely excluded from any type of partnership.

(c) The need to appropriately acknowledge contributions while preserving the integrity of the United Nations

66. As noted by several organizations, the key to a successful cooperation is the identification of mutually beneficial arrangements (referred to as "win-win situations"), for it would be naive to believe that the private sector cooperates with the United Nations for purely altruistic motives. While some in the business community perceive the long-term benefit which they may gain from the success of United Nations activities in alleviating poverty and creating new markets, many see the immediate profit from their association with the United Nations through an improved name recognition or image. This is a legitimate business objective and the United Nations must define the ways in which it can respond to it without being perceived as favouring a company over another or strengthening the hold of an enterprise on a particular market, and without adopting as its own the particular interests of a given company.

67. The Office of Legal Affairs considers that in principle, publicizing a donation to the United

Nations may be acceptable if such action itself is consistent with the policies, aims and activities of the Organization. This would be the case if such publicizing is not aimed at promoting products or services offered by a donor, or at otherwise soliciting its business opportunities, but rather at support for the United Nations and its activities. It also advises that generally promotional material developed by private entities in support of the United Nations should clearly indicate that the entity's collaboration with the United Nations is non-exclusive and does not constitute an endorsement by the United Nations of the entity's business or services.

68. In practice, the methods used by United Nations agencies, funds and programmes to acknowledge contributions vary widely. Most, such as UNHCR or WHO, tend to issue press releases, which also appear on their website, mentioning the nature and amount of the contribution and naming the enterprise or enterprises involved. The Executive Heads of agencies often also nominally refer to projects and companies in their public speeches. The companies may be allowed to refer to their contribution in its internal documents, such as those submitted to board and shareholder meetings and auditors' reports.⁴¹ FAO allows contributors to publicize themselves that they have made a financial contribution to the agency, but the text of any such publicity must be cleared with FAO beforehand. UNDP, for its part, deems it permissible for private-sector entities to mention their contributions in press releases, as long as it is not implied that UNDP directly or indirectly endorses the corporation. In a practice which the Inspectors deem wise, UNDP insists, therefore, that it must maintain the right to approve any materials intended for publication outside the corporation which mentions UNDP, the contribution or the activity in support of which it is provided.⁴²

69. Other programmes and funds, including UNICEF, authorize, within very specific limits, the use of their logos or the mention of their names on publications or even products put out by cooperating enterprises. Most specifically ban the use of their official emblem on commercial products and services as well as endorsing any specific product or company, and refuse to enter into any agreement which would grant exclusivity to any company, group of companies of industry sector.⁴³

70. The Inspectors feel that it is very important

for agencies and programmes to clearly spell out the "rules of the game" so as to avoid confusion among their staff as to what is permissible or not as well as possible disputes with their partners in the private sector. They also believe that they should consult regularly on the practices which they follow in this regard as lessons-learned through successes or setbacks can facilitate harmonization of these practices throughout the System.

(d) Conflicts of interests and undue influence

71. An essential element of the value and credibility of United Nations activities, especially but not only in the normative field, relies on the System's impartiality. Many of the Inspectors' interlocutors stressed, therefore, the importance of protecting their organizations from real or perceived conflicts of interests which may ensue from their association with commercial enterprises. WMO, for instance, expressed concern that the normative value and the good name of the United Nations may be tainted by its association with profit or publicity-seeking enterprises. ECE, for its part, talked of concern expressed by some Member States about the "encroachment" of the private sector on the work of all United Nations agencies in the field of norm-setting, and of the fact that the United Nations would lose its credibility as a neutral institution if it was seen to encourage this encroachment.

72. WHO, which sees itself as particularly vulnerable to conflicts of interests, provides a useful definition borrowed from a medical research group which is probably valid for all professions and sectors: "A conflict of interest is a situation in which a researcher has or appears to have a private or personal interest sufficient to influence the objective exercise of his/her professional judgement towards his/her official duties".⁴⁴ Documents published by WHO also identify the "considerable risks involved in developing partnerships with the corporate sector", including the possibilities that WHO's judgement on a particular product, service or corporate practice may be compromised by financial support provided by the involved company or industry and that WHO involvement with an industry or company is perceived as acceptance of unhealthy products, services, or practices. Likewise, in draft principles and guidelines for cooperation with the private sector, FAO stresses that its position on scientific and technical questions must never be

tainted by the suspicion that its position has been influenced by the acceptance of contributions.

73. Other agencies or programmes stated that existing guidelines, codes of conduct for international civil servants and administrative instructions may not be sufficient to prevent the suspicion that United Nations staff is securing personal gains from their Organization's partnership with enterprises. This is all the more so since the responsibilities of individual staff members for contacts with the business sector are not always well defined. While there is clearly a need to guarantee that United Nations staff have no financial interest, whether through investments or positions on advisory boards in companies with which a cooperation is proposed, the Inspectors feel that the Secretariat lacks the practical means of implementing Staff Rule 101.6 (reproduced in Annex IV) which relates to outside activities and interests of staff members. The recent Secretary-General's Bulletin on financial disclosures statements, ST/SGB/1999/3 only concerns staff members at the assistant secretary-general level and above. Furthermore, the Inspectors did not come across any regulation expressly forbidding staff members from joining companies with which they had cooperated during the course of their duties at the United Nations less than a certain number of years after separation (upon retirement for example) from the Organization.

While it is hoped that the International Civil Service Commission will take into account these issues in its work on revised standards of conduct for the international civil service, these standards will constitute guiding principles rather than binding rules, and will need to be complemented by specific rules.

74. A recent investigation carried out by the United Nations Office of Internal Oversight Services illustrates the need to provide for tighter controls on agreements reached with private companies. The investigation uncovered extensive solicitations of funds and unauthorized commercial agreements between United Nations staff and private individuals and companies. It highlighted the crucial importance attached to the use of the United Nations name by private sector technology firms, and the significant profits which could derive from it. The investigation also uncovered private sector interests in a United Nations-sponsored programme providing technical assistance to economically disadvantaged

countries.⁴⁵

75. More generally, the United Nations must be attentive to concerns expressed by Member States, by NGOs or in the media that undue influence may be gained by private commercial interests groups on its policies and programmes as a result of large donations or of over-dependence of some programmes on private funds. Many NGOs, in particular, are worried that large donations may place the United Nations far too much under the sway of private institutions. However, the manner in which such donations have been handled to this date and the guarantees introduced against private donors gaining leverage from them over the Organization appear to constitute in fact an example of good practice.

(e) The cumbersome nature of present United Nations regulations and procedures

76. A number of offices in the United Nations Secretariat pointed to the hindrance caused to their efforts by some of the Organization's rules and regulations, with particular reference to the establishment and management of Trust Funds. ECE notes for instance that "bureaucratic procedures are a major impediment to attracting additional resources from the private sector" and that "if the involvement of the business community becomes one of the strategic directions for UN activities, internal rules may need to be revised accordingly".⁴⁶

77. Similarly, in its response to a questionnaire distributed by the Organizational Committee of the ACC in 1998, UNEP noted that: "The complex legal and regulatory framework of the United Nations has frustrated attempts by industry to deliver elements of projects on time. The usual tight scheduling of any highly technical industrial project caused some difficulties for UNEP in maintaining its side of the implementation inputs."

78. Indeed, more than the regulations themselves, it is the very long delays which they sometimes entail, that frustrate and discourage both United Nations officials and their counterparts in the private sector. This situation appears to warrant an attempt to revise parts of the existing bureaucratic machinery, so as to enable a more agile response to the operational expectations of the private sector.

C. Developing effective tools

79. The Inspectors believe that most of the problems outlined above can be effectively dealt with through the adoption by the United Nations and its funds and programmes, as well as by each agency of specific and comprehensive guidelines for their relations with the private sector, and that such guidelines can help strengthen these relations while giving them a disciplined and transparent course. They noted that some, such as UNICEF, UNDP, UNFPA, WHO and FAO had already conducted extensive work and are developing tools in this domain which could guarantee transparency and accountability for dealings with the private sector and avoid undue influence of special interests groups. A brief description of the type and contents of some of these guidelines, which are about to be finalized at the time of the drafting of this report, is provided in Annex I as examples of good practices which deserve to be encouraged and could be replicated elsewhere in the System. Other entities have developed more specific expertise which they can usefully share within the United Nations system. UNOPS, for instance, has expressed its readiness to share its expertise on contractual matters, risk management and the drafting of memoranda of understandings.

80. The Inspectors note that the strength of some of the guidelines summarized in Annex I resides in their comprehensive nature, as they apply to both receiving contributions and undertaking joint projects or even, when applicable, to the secondment of staff. They provide, therefore, a "one-stop shop" for all officials of the concerned agencies no matter what the nature of the proposed cooperation with the private sector. In the case of UNICEF, they also provide a very precise time-frame for the processing of requests for approval of projects, which can help avoid the unnecessary delays which often characterize United Nations administrative processes. UNDP also strives to provide prompt approval (or at least a prompt response, be it negative) to proposed agreements, with its Private Sector Review Group (the body set up to clear those agreements with the private sector entities which require headquarters' authorization) acting as a "virtual" working group and communicating its clearances and comments electronically no more than five days after receipt of the proposal.⁴⁷

81. Typical guidelines, therefore, should probably include first a definition of the private sector, a clear statement of the ethical principles

underlying the agency's or programmes relations with the private sector, and specific criteria for assessing the appropriateness and desirability of proposed projects of partnership. They should, in particular, provide tools to perform a thorough cost/benefit analysis of such projects (as suggested by UNESCO). The guidelines should also offer a detailed description of procedures to be followed by United Nations officials, including examples or models of contracts, Memoranda of Understanding or other types of legal agreements into which they may be required to enter, as well as clear instructions on reporting revenues and expenses for auditing purposes. Finally, they should outline measures aimed at discouraging staff from seeking personal advantages from cooperating companies.

82. However, some agencies or programmes whose contacts with the private sector focus essentially on fund-raising or sponsorship activities may prefer, at least in a first stage, to adopt guidelines restricted to the issue of mobilization of private funds, as was decided this year by UNESCO.⁴⁸ These guidelines are also briefly described in Annex I.

83. Adopting guidelines will not suffice. It will also be necessary for each agency to ensure that they are regularly updated and properly disseminated and made known to the staff at large (through, for instance, the INTRANET) as well as to other United Nations organizations and the business community (possibly through the website mentioned in paragraph 24). In the case of the United Nations Secretariat, this could be achieved through the issuance of a Secretary-General's Bulletin, as was already done fifteen years ago for relations with NGOs.⁴⁹ Likewise, each agency may decide, as was recently recommended by UNESCO's Inspector General, to issue an administrative circular outlining the main elements of existing guidelines for relations with the private sector.

84. Finally, the Inspectors wish to stress again the need to share information on a system-wide basis on all the aspects of cooperation with the private sector. During the meetings held in preparation for this report, regret was often expressed that little information was available on the practices and experiences of others in the United Nations. Others pointed to the increasingly cross-sectoral nature of issues addressed by the United Nations and the need for the organizations of the System to present a unified front to the private sector while several stressed that the appearance of competition between

agencies should be avoided. The Inspectors welcome, therefore, the preliminary discussions held on this issue in the Organizational Committee of the ACC and the ACC itself last year as well as the individual initiatives taken by some agencies or programmes to establish informal contacts and exchanges at the working level. They believe that the specific issue of cooperation with the private sector should be one of those dealt with in the context of the development and improvement of an information network among ACC members.

85. The Inspectors also note the establishment by the Secretary-General's Senior Management Group (SMG) of a working group to develop policy proposals in this regard as a positive first step towards the adoption by the Secretariat and funds and programmes directly affiliated to it of a clear framework for cooperation with the private sector. It is hoped that this working group can proceed speedily with drafting Secretariat-wide guidelines for relations with the private sector, and which could then serve as reference or model for those Funds and Programmes which have not yet adopted guidelines of their own.

86. The Inspectors wish to underline, however, that sharing information and harmonizing policies and procedures should not necessarily lead to the adoption of one single set of standard guidelines for the whole United Nations system. In fact, many agencies caution that the diversity in their mandates and activities would probably not allow them to

agree on anything but very general principles, and that excessively rigid procedures must be avoided at all costs. Others, however, stress the need for some common point of reference from which each Organization can make appropriate decision. The Inspectors believe for their part that the strong commonality of principles and conceptual approaches revealed in the course of recent ACC sessions would allow for members of the committee to agree on a number of basic common operational procedures and modalities.

87. On the other hand, it may not be useful or feasible to establish a single enterprise liaison service along the lines of that proposed by the Secretary-General in his report on reforming the United Nations two years ago.⁵⁰ The difficulties linked to the establishment of such an office are illustrated by the fact that the proposal was never implemented (although a "virtual liaison service" was set up with the development of the website mentioned in para. 26). A minority view, however, holds that for expeditious movement forward to take place, some entity or body must be recognized as having a lead or catalytic role to play in this field. While not advocating the establishment or designation of such a central body, the Inspectors do hope that effective mechanisms for the exchange of information and of best practices will lead to the strengthening of the United Nations' relationship with the private sector while helping to protect the independence and integrity of the Organization.

ANNEX I

Comparative table of guidelines for relations with the private sector¹

Agency	Summary of guidelines
UNICEF	"Building alliances for children", the draft UNICEF guidelines for working with companies and third parties provide (among other things): -Guiding principles -Detailed ethical screening criteria (positive and negative) -A step-by-step method for assessing the "value fit" of a proposed alliance -A description of procedures to be followed to obtain approval of projects, including on : * receiving income from corporate alliances; * the use of UNICEF's name, logo and emblem; * events and sponsorships. -Sample requests for clearance and sample contracts
WHO	The "WHO guidelines on interaction with commercial enterprises" provide: -Guiding principles for collaboration with enterprises, which should be expected to follow WHO public health policies. Partnerships are to be established on the basis of "mutual respect, trust, transparency and shared benefit", and can be evaluated using a number of suggested criteria, including: * the project should contribute to clear health gains; * these gains should be worthy of the effort involved in establishing the partnership; * the project should enhance WHO's role and image. -Criteria are also suggested for assessing the suitability of a specific industry : * the major products or services of the industry are beneficial to health; * the industry does not engage on a large scale with practices which are negative to health; * the likely public health benefit outweigh any possible harmful practices, products or services. -General rules and procedures, calling for a formal review of proposals for collaboration by the Legal Office and the Committee on Private Sector Collaboration (for contentious cases), and covering such topics as : * donations (with particular attention given to avoiding real or perceived conflicts of interest) * contributions in kind; * product development; * seconded personnel; * use of WHO name and logo; * organization or sponsoring of meetings

¹ This is not an exhaustive list, but simply a summary of some of the guidelines made available to the Inspectors.

FAO	The draft "Principles and Guidelines for FAO Cooperation with the Private Sector" provide : -A general description of FAO policy in the field and an analysis of the concept of partnership, stressing that effective partnerships are based on partner's mutual interests and utilize their complementary resources and organizational strengths; -Partnership principles including : * conformity with FAO's mandate and work programme; * mutual interests and mutual objectives; * transparency; * accountability; * scientific credibility; * non-exclusivity. -Annexes on rules and procedures to be followed for : * the use of FAO emblem and logos; * voluntary contributions to FAO; * cosponsorship, patronage and other forms of FAO involvement in meetings and other events.
UNESCO	The "Guidelines for Mobilizing Private Funds and Criteria for Selecting Potential Partners", adopted by the Executive Board in 1999 provide : -Positive criteria for approving fund-raising activities (priority to be given to initiatives which correspond to the main objectives of UNESCO, are accepted by the concerned Member State(s) and which generate additional funding as well as public awareness of UNESCO's activities); -A list of the documents and references to be submitted by potential partners (including legal statutes, bank references and financial proposals); -Negative criteria for rejecting potential partners (such as those involved in activities contrary to United Nations sanctions in force); -A description of the formal written contract to be signed between UNESCO and any private partner and of the internal process of approval by UNESCO.

ANNEX II

List of existing focal points/dedicated units set up by agencies, funds and programmes to deal with the private sector²

Organization	Focal point or designated unit or official
United Nations and its programmes	
United Nations Secretariat	No focal point but one designated official in Executive Office of the Secretary-General for policy matters
ECE	No focal point; each Division deals with the private sector as required by its activities
ITC	Each programme develops its own contacts, but the Programme and Resources Section coordinates partnership arrangements with the private sector
UNCTAD	No focal point; each Division deals with the private sector as required by its activities
UNEP	The Trade, Industry and Environment Division is the global focal point, while the officers of Technology, Industry and Economics serve as focal points in UNEP's regional offices.
UNICEF	Private Sector Division
UNDP	Division for Resources Mobilization (Bureau for Resources and External Affairs) and Private Sector Development Programme (Bureau for Development Policy)
WFP	Resources and External Relations Division
UNHCR	Public Affairs Unit
Specialized agencies	
FAO	Unit for Cooperation with the Private Sector and NGOs (TCDN)
ILO	No focal point; each Department or programme deals with the private sector as required by its activities
IMO	Resource Mobilization Section, Technical Cooperation Division
ITU	The External Affairs and Corporate Communication Unit addresses policy matters related to the private sector, but each Sector also deals individually with the latter
UNESCO	Bureau for Extra-Budgetary Funding
UNIDO	No focal point; each department or programme deals with the private sector as required by its activities
UPU	The Director General's Office and External Relations deal with coordination and general principles; other organizational units are consulted on operational questions.
WHO	Although there is an External Cooperation and Partnership office, each department or programme also deals individually with the private sector
WIPO	The Office of Legal and Organizational Affairs deals with the private sector at the policy level, while other programs develop their own contacts with the private sector as required.
WMO	No focal point, although the Office of the Secretary-General deals with policy matters related to the private sector

² This list, based on the information made available to the Inspectors, is not an exhaustive one.

ANNEX III

**Extracts from General Assembly Resolution 92 (I)
of 7 December 1946,
“Official Seal and Emblem of the United Nations”**

The relevant part of the resolution reads as follows :

“2. Considers that it is necessary to protect the name of the Organization and its distinctive emblem and official seal;

Recommends, therefore :

(a) That Members of the United Nations should take such legislative or other appropriate measures as are necessary to prevent the use, without authorization by the Secretary-General of the United Nations, and in particular for commercial purposes by means of trade marks or commercial labels, of the emblem, the official seal and the name of the United Nations, and of that name through the use of initial letters;

(b) That the prohibition should take effect as soon as practicable...”

ANNEX IV

United Nations Staff Rule 101.6

Outside activities and interests

- (a) Staff members shall not engage in any continuous or recurring outside occupation or employment without the prior approval of the Secretary-General.
- (b) No staff member may be actively associated with the management of, or hold a financial interest in, any business concern if it were possible for the staff member to benefit from such association or financial interest by reason of his or her official position with the United Nations.
- (c) A staff member who has occasion to deal in his or her official capacity with any matter involving a business concern in which she holds a financial concern shall disclose the measure of that interest to the Secretary-General.
- (d) The mere holding of shares in a company shall not constitute a financial interest within the meaning of this rule unless such holding constitutes a substantial control.
- (e) Staff members shall not, except in the normal course of official duties or with the prior approval of the Secretary-General, perform any one of the following acts, if such acts relates to the purpose, activities or interests of the United Nations :
 - (I) Issue statements to the press, radio or other agencies of public information;
 - (ii) Accept speaking engagements;
 - (iii) Take part in film, theatre, radio or television productions;
 - (iv) Submit articles, books or other material for publication.

Notes

1. See General Assembly Resolution 51/240, An Agenda for Development.

See also Joint Statement by the Secretary-General and the International Chamber of Commerce in United Nations Press Release SG/2043, 9 February 1998.

2. See General Assembly Resolution 52/209, entitled Business and Development, adopted without a vote on 18 December 1997.

3. "A compact for the new century", statement by the Secretary-General to the World Economic Forum, 31 January 1999.

4. See JIU/REP/93/1 and JIU/REP/96/4

5. See, among others, JIU/REP/97/5.

6. See website <http://www.wfp.org/reports/procurement>.

7. InterAgency Procurement Service Office (IAPSO), General Business Guide

8. Cooperation between the Economic Commission for Europe and the Business Community, E/ECE/1360, 13 February 1998.

9. ITC's legal status is that of a "joint subsidiary organ" of the World Trade Organization and the United Nations, the latter acting through UNCTAD.

10. Full details of the conference can be obtained at the following website: <http://www.aidandtrade.com>.

11. See General Assembly resolution 48/180, Entrepreneurship and Privatization for Economic Growth and Sustainable Development, of 21 December 1993.

12. "Renewing the United Nations : A Programme for Reform", A/51/950, 14 July 1997.

13. "Markets for a better world", address by the Secretary-General at the World Economic Forum, 31 January 1998.

14. United Nations Press Release SG/2043, 9 February 1998.

15. "Sharing responsibilities : public, private and civil society", Statement by UNICEF Executive Director to the Harvard Development Conference, 16 April 1999.

16. "A compact for the new century", statement by the Secretary-General to the World Economic Forum, 31 January 1999.

17. See in this regard the Press Conference by the Secretary-General and the leadership of the International Chamber of Commerce, Geneva, 5 July 1999.

18. UNEP, Report to the Commission on Sustainable Development, March 1999.

19. The address of the website is: <http://www.un.org/partners> .

20. The United Nations Staff College has recently presented to the Consultative Committee on Programme and Operational Questions (CCPOQ) a programme entitled "The Executive Action Programme" which aims at building core competencies for effective partnerships between the United Nations, business and civil society and to train a cadre of "partnership brokers" to initiate, facilitate and sustain such partnerships.
21. See General Assembly Resolution 52/209 of 18 December 1997, Business and Development. Paragraph 13 of the resolution states that there is a need to assist developing countries, as well as countries with economies in transition, in strengthening their capacity to encourage wider participation of the private sector.
22. See Resolution 52/209, Business and Development, adopted without a vote on 18 December 1997.
23. UNESCO, for instance, indicates that private fund mobilization represents 2 to 4 per cent of its overall extra-budgetary resources over recent years.
24. Cooperation between the Economic Commission for Europe and the Business Community, E/ECE/1360, 13 February 1998.
25. Partnership with civil society, UNFPA Technical Report No. 46, February 1999.
26. Cooperation between the Economic Commission for Europe and the Business Community, E/ECE/1360, 13 February 1998.
27. See website: <http://www.un.org/partners/business/unep.htm>
28. UNAIDS Press Release, Davos, 31 January 1999.
29. UNDP Press Release, New York, 27 August 1996.
30. See website: <http://www-partners.unctad.ch>.
31. See General Assembly resolution 52/209 of 18 December 1997, Business and Development.
32. Cooperation between the Economic Commission for Europe and the Business Community, E/ECE/1360, 13 February 1998.
33. According to UNDP, private capital flows to developing countries increased more than six-fold from US\$ 42 billion in 1990 to US\$ 256 billion in 1997.
34. A Strategy for FAO/Private Sector Partnership to help achieve Food Security, document presented to the FAO programme and Policy Advisory Board, 13 March 1997
35. UNCTAD Press Release, PFD/7, 22 October 1998.
36. See United Nations Press Release TAD/1882 of 6 July 1999.
37. United Nations Press Release GA/EF/2833 of 22 October 1998.
38. The three Sectors are : Radiocommunication (ITU-R), Telecommunication Standardization (ITU-T) and Telecommunication Development (ITU-D).

39. WMO and the Private Sector, Report submitted by the Secretary-General to the Executive Council Working Group on Long-Term Planning, WGLTPP-III/Doc. 6 (08.IV.1998).
 40. "Sharing responsibilities: public, private and civil society", Statement by UNICEF Executive Director to the Harvard Development Conference, 16 April 1999.
 41. ILO, Circular No. 64, Series 5.(Finance), 23 January 1997.
 42. Guidelines and Procedures for Mobilization of Resources from the Private Sector, UNDP Bureau for Resources and External Affairs, Division for Resources Mobilization, November 1998.
 43. This is the case, for instance, of UNICEF and FAO.
 44. WHO, Ethical principles for WHO/TFI collaboration and partnerships with private sector enterprises
 45. See A/54/1, Report of the Secretary-General on the work of the Organization, para. 342, and A/54/413, Investigation into Allegations Concerning an Electronic Commerce Project at UNCTAD.
 46. Economic Commission for Europe, Committee for Trade, Industry and Enterprise Development, Trade/1999/12, 30 March 1999.
 47. Guidelines and Procedures for Mobilization of Resources from the Private Sector, UNDP Bureau for Resources and External Affairs, Division for Resources Mobilization, November 1998.
 48. The guidelines were presented by the Director-General in document 156 EX/38 of 17 March 1999 and adopted by the Executive Board.
 49. See ST/SGB/209 of 1984 on "Policies and Procedures governing the relationship between non-governmental organizations and the United Nations Secretariat".
 50. "Renewing the United Nations : A Programme for Reform", A/51/950, 14 July 1997.
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**General Assembly**

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Fifty-fourth session**Item 52****Question of the Falkland Islands (Malvinas)****Letter dated 4 January 2000 from the Chargé d'affaires a.i. of the Permanent Mission of Argentina to the United Nations addressed to the Secretary-General**

In accordance with instructions received from my Government, I have the honour to transmit herewith the text of the press communiqué issued on 3 January 2000 by the Government of the Argentine Republic on the occasion of another anniversary of the illegitimate British occupation of the Malvinas Islands (see annex).

The communiqué in question underscores the continued existence of a dispute over sovereignty between the Argentine Republic and the United Kingdom of Great Britain and Northern Ireland concerning the Malvinas, South Georgias and South Sandwich Islands and the surrounding maritime areas. The search for a peaceful settlement of this dispute is an ongoing objective of Argentina, which is enshrined in its National Constitution. In light of this, the Argentine Government once again confirms its rights of sovereignty over the southern archipelagos and waters and declares its broad intention to conduct negotiations in order to search for a definitive resolution of this question.

I should be grateful if you would have this note and its annex distributed as a document of the General Assembly under agenda item 52.

(Signed) Ana Maria Ramirez
Minister Plenipotentiary
Chargé d'affaires a.i.



Annex

Press communiqué issued in Buenos Aires on 3 January 2000 by the Government of the Argentine Republic on the occasion of the anniversary of the illegitimate British occupation of the Malvinas Islands

On 3 January 1833, British forces occupied the Malvinas Islands, expelling their inhabitants and the Argentine authorities established there. Since today marks the 167th anniversary of that illegitimate occupation, the Argentine people and Government reaffirm the Argentine Republic's imprescriptible rights of sovereignty over the Malvinas, South Georgias and South Sandwich Islands and the surrounding maritime areas.

The Government reiterates on this occasion the unfailing determination of the Argentine people, enshrined in the National Constitution, to recover the full exercise of sovereignty over the territories and maritime areas referred to by means of a peaceful settlement of the disputes in accordance with international law, respecting the way of life and interests of the inhabitants of the Islands.

The Argentine Government declares its firm intention to continue making headway in the dialogue with the United Kingdom in order to consolidate a relationship of mutual trust and expand bilateral cooperation.

It is the belief of the Argentine Government that the resumption of the negotiations on the question of sovereignty, in accordance with the numerous and ongoing appeals by the international community, will help to create a favourable framework for achieving a just and definitive settlement of the dispute.
